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UNITED NATIONS POPULATION FUND

Estimates for the Biennial Support Budget for 1998-1999

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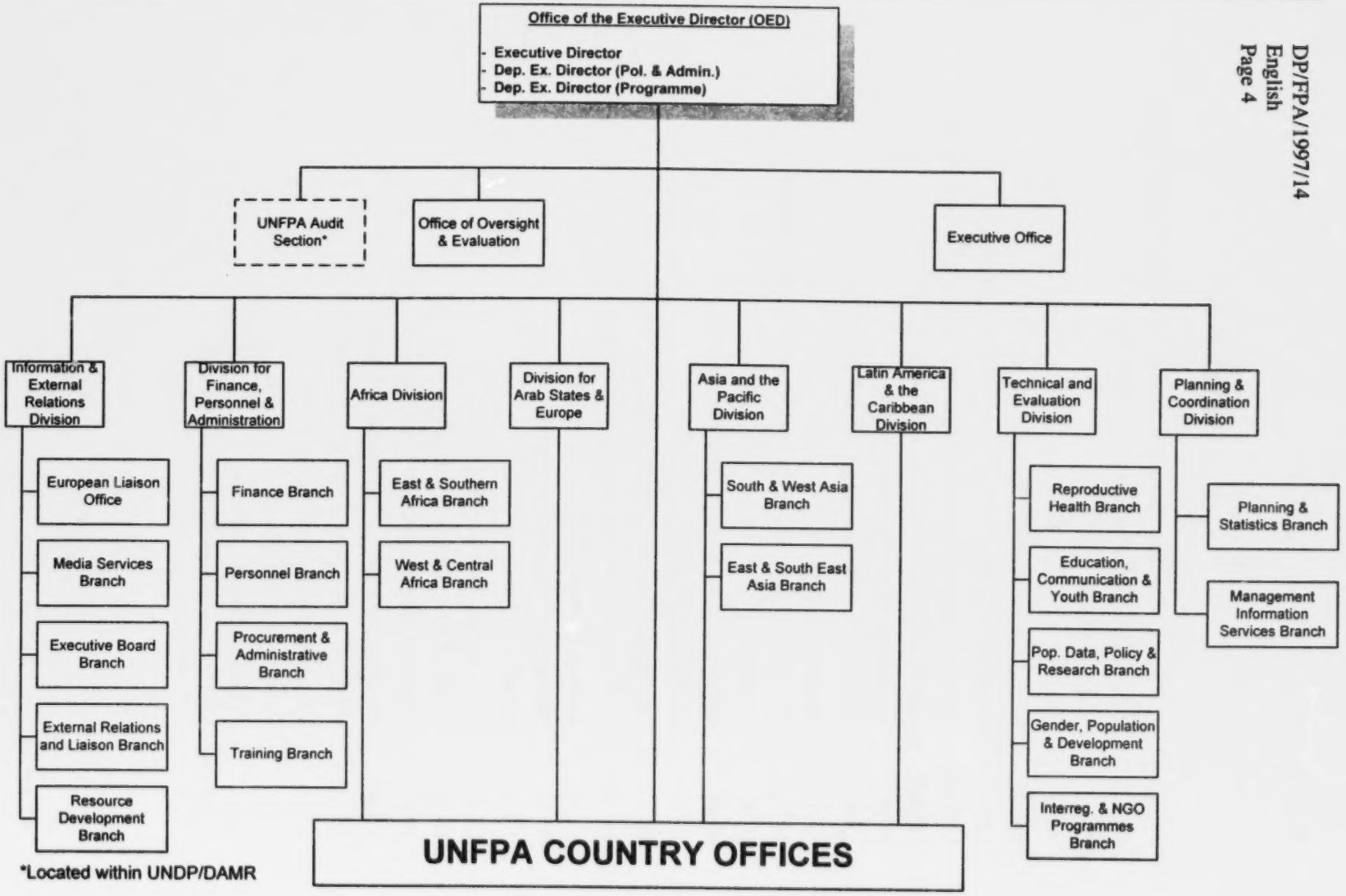
ABBREVIATIONS

ACABQ	Advisory Committee on Administrative and Budgetary Questions
ACC	Administrative Committee on Coordination
AD	Africa Division
APD	Asia and the Pacific Division
APSS	Administrative and programme support services
CCAQ	Consultative Committee on Administrative Questions
CCPOQ	Consultative Committee on Programme and Operational Questions
DAMR	UNDP Division for Audit and Management Review
DASE	Division for Arab States and Europe
DFPA	Division for Finance, Personnel and Administration
EDP	Electronic data processing
ICPD	International Conference on Population and Development
ICSC	International Civil Service Commission
IERD	Information and External Relations Division
IPO	International Programme Officer
ISCC	Information System Coordination Committee
LACD	Latin America and the Caribbean Division
LAN	Local area network
MIS	Management information system
NPO	National Programme Officer
OED	Office of the Executive Director
OOE	Office of Oversight and Evaluation
PCD	Planning and Coordination Division
PRMS	Programme Resource Management System
PRSD	Programme review and strategy development
TED	Technical and Evaluation Division
CST	Country Support Teams
TSS	Technical Support Services
UNIFOS	UNFPA Integrated Field Office System

UNFPA FNUAP

United Nations Population Fund | Fonds des Nations Unies pour la population

1998-1999 Biennium


Office of the Executive Director (OED)
- Executive Director
- Dep. Ex. Director (Pol. & Admin.)
- Dep. Ex. Director (Programme)
UNFPA Audit Section*
Office of Oversight & Evaluation
Executive Office
Information & External Relations Division
European Liaison Office
Media Services Branch
Executive Board Branch
External Relations and Liaison Branch
Resource Development Branch
Division for Finance, Personnel & Administration
Finance Branch
Personnel Branch
Procurement & Administrative Branch
Training Branch
Africa Division
East & Southern Africa Branch
West & Central Africa Branch
Division for Arab States & Europe
Asia and the Pacific Division
South & West Asia Branch
East & South East Asia Branch
Latin America & the Caribbean Division
Technical and Evaluation Division
Reproductive Health Branch
Education, Communication & Youth Branch
Pop. Data, Policy & Research Branch
Gender, Population & Development Branch
Interreg. & NGO Programmes Branch
Planning & Coordination Division
Planning & Statistics Branch
Management Information Services Branch
UNFPA COUNTRY OFFICES

*Located within UNDP/DAMR

.../...

I. EXECUTIVE SUMMARY

Table 1. Gross budget estimates by appropriation line and by location

(Thousands of United States dollars)

Gross budget estimates	1996-1997 Approved appropriations	1996-1997 % of Total	Changes Volume Inc./(Dec.)	Changes Volume %	Changes Cost Inc./(Dec.)	Changes Cost %	1998-1999 Proposed estimates	1998-1999 % of Total
By appropriation line								
Programme support								
Country office	67,414.6	49.3%	5,278.5	7.8%	791.0	1.2%	73,484.2	51.3%
Headquarters	28,093.8	20.5%	(1,135.4)	-4.0%	(146.9)	-0.5%	26,811.5	18.7%
Management and admin. of org.	41,337.6	30.2%	973.3	2.4%	648.8	1.6%	42,959.7	30.0%
TOTAL	136,846.0	100.0%	5,116.4	3.7%	1,293.0	0.9%	143,255.5	100.0%
By location								
Country offices	67,414.6	49.3%	5,278.5	7.8%	791.0	1.2%	73,484.2	51.3%
Headquarters	69,431.4	50.7%	(162.1)	-0.2%	502.0	0.7%	69,771.3	48.7%
TOTAL	136,846.0	100.0%	5,116.4	3.7%	1,293.0	0.9%	143,255.5	100.0%

See table 3 Total gross budget estimates - Regular resource
See table I Total gross appropriation by organizational unit
See table II Total gross appropriation by expenditure category

Figure A. Gross budget estimates by appropriation line, 1998-1999

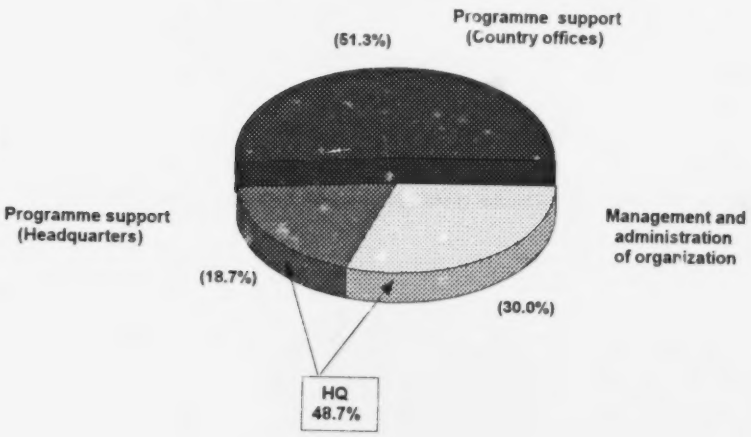


Table 2. Regular resource posts by category, appropriation line and location

Posts	1996-1997 Approved posts (*)					Changes Increase/(Decrease)				1998-1999 Proposed posts				
	IP	NP	GS/Oth.	Total	% of Total	IP	NP	GS/Oth.	Total	IP	NP	GS/Oth.	Total	% of total
By appropriation line														
Programme support														
Country offices	81	141	453	675	73.4%	8	15	32	55	89	156	485	730	75.1%
Headquarters	56	0	56	112	12.2%	-2	0	-1	-3	54	0	55	109	11.2%
Management and admin. of org.	51	0	81	132	14.4%	0	0	1	1	51	0	82	133	13.7%
TOTAL	188	141	590	919	100.0%	6	15	32	53	194	156	622	972	100.0%
By location														
Country offices	81	141	453	675	73.4%	8	15	32	55	89	156	485	730	75.1%
Headquarters	107	0	137	244	26.6%	(2)	0	0	(2)	105	0	137	242	24.9%
TOTAL	188	141	590	919	100.0%	6	15	32	53	194	156	622	972	100.0%

See table 4: Proposed changes
See table III: Posts for Regular resources

(*) After realignment

Figure B. Regular resource posts by appropriation line, 1998-1999

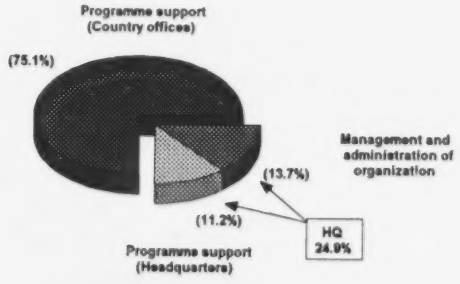
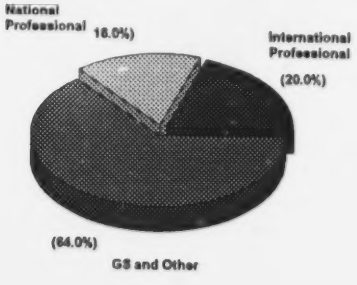


Figure C. Regular resource posts by category, 1998-1999



I. EXECUTIVE SUMMARY

A. Overview and Strategy

1. In accordance with Regulation 9 of Article IX of the Financial Regulations and Rules of the United Nations Population Fund (UNFPA), the Executive Director submits herewith the estimates for the biennial support budget for 1998-1999, previously referred to as the administrative and programme support services (APSS) budget. The proposal has been submitted to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) for its examination and comments. (The report of the ACABQ is contained in document DP/FPA/1997/15.)

2. The proposed budget has been prepared in accordance with the format and guidelines approved by the Executive Board in decision 97/6 on the harmonization of the budgets of UNDP, UNFPA and UNICEF. Details on the common format for presentation, common terms and definitions, and common methodology for the presentation of budget estimates can be found in document DP/1997/2 and Add.1. Although this is the first time that the UNFPA biennial support budget is being presented in a harmonized format, wherever possible and appropriate the information for 1996-1997 has been presented in ways to facilitate comparison with 1998-1999. Annex I contains a list of terms and their definitions as agreed upon by the three organizations. Similarly, Annex II contains an explanation of the methodology applied in calculating the budget estimates. Both annexes are taken from DP/1997/2, mentioned above.

Overview

3. The Executive Director requests net appropriations of $131.4 million for the 1998-1999 biennium to cover the cost for staff and support resources that are considered essential for the delivery of high-quality programmes. Thus, the proposed budget, which represents an increase of only 3.6 per cent, or $4.6 million, over the budget for 1996-1997, will put UNFPA in a position to respond effectively and responsibly to new policy and programme requirements in the next biennium and beyond.

4. As table 1 shows, UNFPA is committed to strengthening its country offices, while keeping its management and administration costs at the lowest possible levels. The proposed gross budget to be set aside for the country offices contains an increase from 49.3 per cent to 51.3 per cent of the total budget, while that for headquarters decreases from 50.7 per cent to 48.7 per cent. Similarly, the budget dedicated to programme support increases from 69.8 per cent to 70.0 per cent, while that for management and administration of the organization decreases by a corresponding proportion, from 30.2 per cent to 30.0 per cent. Figure A shows in pie-chart format the distribution of the proposed usage of the gross budget estimates.

5. The proposal requests the establishment of 8 new support offices; 6 additional international posts for country offices plus 15 new national professional and 32 support staff (including those for the new support offices) and a transfer of two international posts from the headquarters to the field. If approved, that would bring the proportion of staff at the country level to 75.1 per cent, up from 73.4 per cent in the current biennium, and 24.9 per cent at headquarters, down from 26.6 per cent. Similarly, the staffing dedicated to programme support would show a slight increase, from 85.6 per cent to 86.3 per cent, while management and administration would experience a corresponding decline. Table 2 and figures B and C provide information on the regular resource posts by category, appropriation line, and location.

6. The gross budget estimates for 1998-1999 show a net increase of 4.6 per cent, made up of a net volume increase of 3.7 per cent and net cost increase of 0.9 per cent. The volume increase is attributable to the proposals for strengthening the country offices (7.8 per cent), while headquarters would actually show a volume decrease of 0.2 per cent. The major cause for the volume increases in country offices would be additional salary and common staff costs, amounting to approximately $2.9 million during the course of 1998-1999. This represents 54.7 per cent of the total change attributable to volume at the country-office level. Other major volume changes affecting country offices pertain to the establishment and initial operation of the new country support offices and to travel for field staff.

7. Headquarters shows a volume decrease of about $0.2 million, attributable to reductions in operational costs and to the reassignment of two staff members from programme support to the field. In spite of its increasing activities, UNFPA intends to maintain its institutional capacity at its current level by streamlining its administrative and programme operations and thus enhancing productivity.

8. Cost increases, which amount to approximately $1.3 million overall, include an allowance for inflation (3 per cent), and mandatory step increases in staff salaries. Those that relate to management and administration of the organization amount to $0.6 million, or a 1.6 per cent increase over the 1996-1997 appropriations. Those that relate to UNFPA's programme support activity (both in headquarters and in country offices) amount to $0.6 million, or a 0.7 per cent increase over the 1996-1997 appropriations.

9. In recent years a number of events and processes have occurred that are of major importance to UNFPA as a whole. Because of their consequences for the budget proposal, significant ones are highlighted below.

10. Long-term implications of ICPD. The 1996-1997 biennial support budget was designed to take account of the implications for UNFPA of the Programme of Action of the International Conference on Population and Development (ICPD). Its implications on programme priorities and future directions for UNFPA are contained in document DP/1995/25 and Corr. 1. As endorsed by the Executive Board in decision 95/15, UNFPA's core programme areas are as follows: (a) reproductive health, including family planning and sexual health; (b) population and development strategies; and (c) advocacy. As indicated in document DP/1995/25, it is recognized

that there can be no sustainable development without the full and equal participation of women, gender equality and equity, and the empowerment of women. Gender aspects will, therefore, continue to be an integral part of all aspects of UNFPA programming. The implications of the ICPD for UNFPA are of a long-term nature and, therefore, the proposed biennial support budget for 1998-1999 is based on the need to further strengthen and consolidate the efforts in support of the post-ICPD programme priorities and directions.

11. New approach for resource allocations. In March 1996 the Executive Board endorsed a new approach for resource allocation based on the goals and objectives of the ICPD Programme of Action (see document DP/FPA/1996/15 and decision 96/15). The approach is based on a country's level of achievement in terms of reaching goals related to the ICPD and recognizes that there is a continuum of needs, from countries that have made little progress towards achieving those goals to countries that have already reached or surpassed them. The new approach pays special attention to low-income countries, least developed countries (LDCs) and sub-Saharan Africa, as well as to countries with economies in transition on a temporary basis and encourages South-South cooperation. The Executive Board decided that the allocation of resources should be based on a comprehensive assessment of the actual needs and requirements of countries and should take fully into consideration coherent national programmes, plans and strategies on population and development, and the need for external resources to complement national financial resources.

12. The two decisions mentioned above, namely 95/15 and 96/15, together provide the Fund with the framework for combining substantive programming with appropriate levels of resource allocation in line with the principles and directions set forth by the ICPD Programme of Action.

13. General Assembly resolutions and United Nations reforms. The budget takes into account various General Assembly resolutions on operational activities, such as 44/211, 47/199 and 50/120, particularly with respect to issues such as coordination, national execution and decentralization. Recently, the United Nations Secretary-General has initiated reforms for the United Nations Secretariat, including the funds and programmes. UNFPA is a full partner in the system-wide reform efforts and those led by the Secretary-General.

14. At the country level, UNFPA Representatives are members of the country teams under the direction of the United Nations Resident Coordinator. General Assembly decision 50/438, which redesignated UNFPA Country Directors as UNFPA Representative in their countries of residence, has greatly facilitated the efforts of the UNFPA Representatives in their role as full-fledged members of the teams. The purpose of the teams is to enhance the impact of United Nations operational activities at the country level by increasing the coherence of United Nations activities, avoiding duplication and streamlining support services through the establishment of common premises and services. UNFPA offices must be adequately equipped in order to fulfil their mandate in delivering UNFPA assistance to Governments while at the same time ensuring the maximum impact of that assistance through participation in system-wide plans and programmes and in line with the goals of the recent series of international conferences. UNFPA is fully

committed to advance these system-wide coordination efforts at the country level, particularly through the Resident Coordinator system.

15. At the global level, UNFPA is engaged as an active participant in a number of global-level inter-agency coordination mechanisms, including the Administrative Committee on Coordination (ACC), Joint Consultative Group on Policy (JCGP) and the Executive Committee of the Development Operations Group, established by the Secretary General. As an active partner in system-wide processes, UNFPA must also fulfil the reporting requirements established by the General Assembly and ECOSOC in various resolutions including, for example, annual reports to ECOSOC.

16. New programme guidelines and procedures. UNFPA has streamlined its programming procedures by shifting from a project to a programme approach. As part of this effort, UNFPA is introducing UNFPA staff to the use of logical framework techniques in the programme cycle. This framework provides a concise, but comprehensive, summary of the main elements of a programme or subprogramme, explains the reasoning behind the programme in terms of planning and implementation and maps out explicit criteria for monitoring and evaluation. Overall, the logical framework is to be applied at every level of programme or subprogramme or project development and is meant to be able to measure, at any given time, the progress (or lack of it) in implementation. These techniques are being incorporated into UNFPA's regular staff training programme and into programming guidelines. With the current revisions of its programming procedures, UNFPA intends to move towards full decentralization of its programme approval authority, thereby further reducing time lags in project approvals and improving implementation rates.

17. Information and communication strategy. The Executive Board adopted decision 97/13 during its annual session 1997, based on the UNFPA strategy on information and communication contained in document DP/FPA/1997/8. This report was written in response to Executive Board decision 96/18. The strategy, as part of UNFPA's overall role in advocacy, is to ensure that the principles, goals and objectives of the ICPD are understood and accepted as a commitment and thereby to help turn them into practical reality, at national, regional and international levels. The strategy includes enhancement of UNFPA's institutional capability to present its message effectively both at the country and at the international level. This requires, among other things, the training of staff at different levels in advocacy, both in terms of presentation and substance.

Strategy

18. Implications of the General Assembly resolutions and Executive Board decisions, as well as ongoing United Nations reforms, for the budget strategy are summarized below. As a result of the ICPD, in 1994 there have been a variety of changes to UNFPA's operations, and these are also reflected in the proposed strategy. The proposed budgetary enhancements have been designed to improve the cost-effectiveness of the Fund's programmes and to increase their impact.

19. Strengthening operations at the country level. Emphasis is increasingly being focused on the country level in order to strengthen the capacity of the country offices to provide advocacy, technical, financial and programmatic assistance required to support population activities in the programme countries, in particular in the three core areas of the UNFPA programme and in accordance with the new resource allocation system. It is proposed to establish eight new support offices, five in central Asian republics (Azerbaijan, Kazakstan, Kyrgyzstan, Tajikistan and Turkmenistan) and one each in Armenia, Georgia and the Russian Federation. The Executive Director also proposes to add UNFPA Representatives to the existing offices of Chad, Guinea-Bissau, Jordan, Lao People's Democratic Republic, Mongolia, the Occupied Palestinian Territories and Turkey as well as an International Programme Officer for Haiti. Additional national staff (15 National Programme Officers and 32 support staff), which include those for newly established offices, are requested in order to equip the country offices with sufficient staff to manage large and complex programmes and to provide adequate support for financial accounting. Most of the budgetary increase in the 1998-1999 budget proposal, in comparison to the 1996-1997 appropriations, is in support of country offices, with the headquarters showing an actual decline (except for reimbursements to other United Nations agencies for services provided). This emphasis is in line with General Assembly resolutions and addresses needs identified by Executive Board members during field visits to UNDP and UNFPA programmes. These Board members as well as numerous independent evaluation and audit missions have observed the comparatively severe under-staffing of UNFPA country offices.

20. Enhancing internal oversight and evaluation. In response to the need for increased accountability, in late 1996 UNFPA established an Office of Oversight and Evaluation, formerly the Evaluation Branch of the Technical and Evaluation Division (TED). This office is an independent organizational unit, reporting directly to the Executive Director, that serves as a focal point for monitoring follow-up to the results and products of various oversight functions. The Office is responsible for ensuring that the findings and recommendations of all oversight functions at UNFPA, including, inter alia, external and internal audits, policy application reviews and evaluations, are acted upon and, as necessary, reflected in decision-making on organizational management, policies and procedures. In addition, it will manage the conduct of policy application reviews, thematic evaluations and ad hoc independent evaluations of major projects and programmes. The newly introduced policy application reviews examine in depth the processes of programme development and implementation to ensure substantive accountability of UNFPA's decentralized operations. The aim is to ensure the structural independence of the Office of Oversight and Evaluation while ensuring that the lessons from the oversight, audit and evaluation operations are fed back into the policy mechanisms and training programmes of the Fund.

21. The internal audit function is conducted by the UNFPA Internal Audit Section of the UNDP Division for Audit and Management Review (DAMR). Currently the Section consists of two professional and one general service staff. Besides undertaking management audits and reviews of UNFPA rules and procedures, the Section also supervises the use of consultants for specific audit assignments and the use of public accounting firms under subcontract with UNDP's Regional

Service Centres. During the current biennium, audit activity has continued to increase from 5 audits in 1992 to 55 audits in 1996. In the next biennium, the focus of internal audit activity will be to expand the number of management audits and to further enhance audit quality, especially regarding the subcontract arrangements. This will be accomplished by adding more staff and consultancy time to the UNDP Regional Service Centres in Harare, Zimbabwe, and Kuala Lumpur, Malaysia (equivalent to 36 man-months).

22. Strengthening human resource capabilities. As requested by the Executive Board in decision 95/35, UNFPA has prepared a report containing the results of an evaluation of training activities and an outline for new directions. The report has been submitted to the Executive Board, through the ACABQ, as document DP/FPA/97/11. To streamline human resource development functions, the Fund's Training Branch has been moved to the Division for Finance, Personnel and Administration (DFPA), bringing the training and personnel functions closer together. The new orientation will be based on assessments of staff competencies in core areas. Workshops and other training activities will increasingly focus on specific topics identified in the assessments. Cascade training techniques will equip a larger group of UNFPA staff with training skills so that they can be called upon as trainers for specific issues. New cost-effective methodologies, including distance learning and use of interactive electronic systems, will be introduced. Greater emphasis will be placed on assessing the impact of training activities.

23. As part of efforts to strengthen the Fund's human resources, a comprehensive performance appraisal system was put in place a number of years ago. This system, which is based on annual work plans and continuous interaction and feedback between the supervisor and the staff member, is firmly in place. Sound recruitment and reassignment practices, together with performance evaluations, training and career development of UNFPA's human resources, are intended to maintain high-quality staff in all areas and at all levels in the organization. The UNFPA Personnel Branch needs strengthening in order to deliver an increasing range of services needed to administer the Fund's expanding field operations, including providing adequate support to country-level national staff, carrying out classifications -- through the use of outside expertise -- previously done by UNDP, and providing personnel services for the technical support services (TSS) system, including the Country Support Teams (CSTs). UNFPA will therefore add one professional staff to the Personnel Branch through a reassignment at headquarters.

24. Enhancing management information systems. Management information systems (MIS) are essential for effective and efficient performance by UNFPA in an increasingly decentralized environment, encompassing more than a hundred offices around the globe. UNFPA's capacity in the area of information management is growing steadily, both in support of programme activities and of administration and management services. Programming procedures are being revised; financial and procurement procedures and work flows are being examined in anticipation of greater automation of budgeting, accounting and procurement processes. Thus, in the next biennium, emphasis will continue to be on enhancing current systems, such as UNIFOS (UNFPA Integrated Field Office System) and PRMS (Programme Resource Management System). UNFPA plans, within available means, to update continuously its competencies and capacities in the fast-changing field of automation.

25. Headquarters realignment. As indicated above, some reassignments of existing posts at headquarters are being implemented in order to meet UNFPA's requirements without adding staff at the headquarters level while strengthening the quality, quantity and speed of its operations. The Library and Population Information Services Branch has been moved to TED, the Training Branch to DFPA, while the Evaluation Branch of TED has become an independent office, reporting directly to the Executive Director. As a net result of these realignments, a total of two professional posts will be moved to the field as part of the 1998-1999 proposal.

26. Recently, the Secretary-General has decided to reinstate the second Assistant Secretary-General post that had been downgraded to the D-2 level in February 1993. The scope and responsibilities of UNFPA require that the Executive Director be assisted in managing the Fund by two deputies at the rank of Assistant Secretary-General. Thus, the post of Deputy Executive Director (Programme) has been upgraded from D-2 to Assistant Secretary-General.

B. Financial Framework

Table 3. UNFPA resource plan

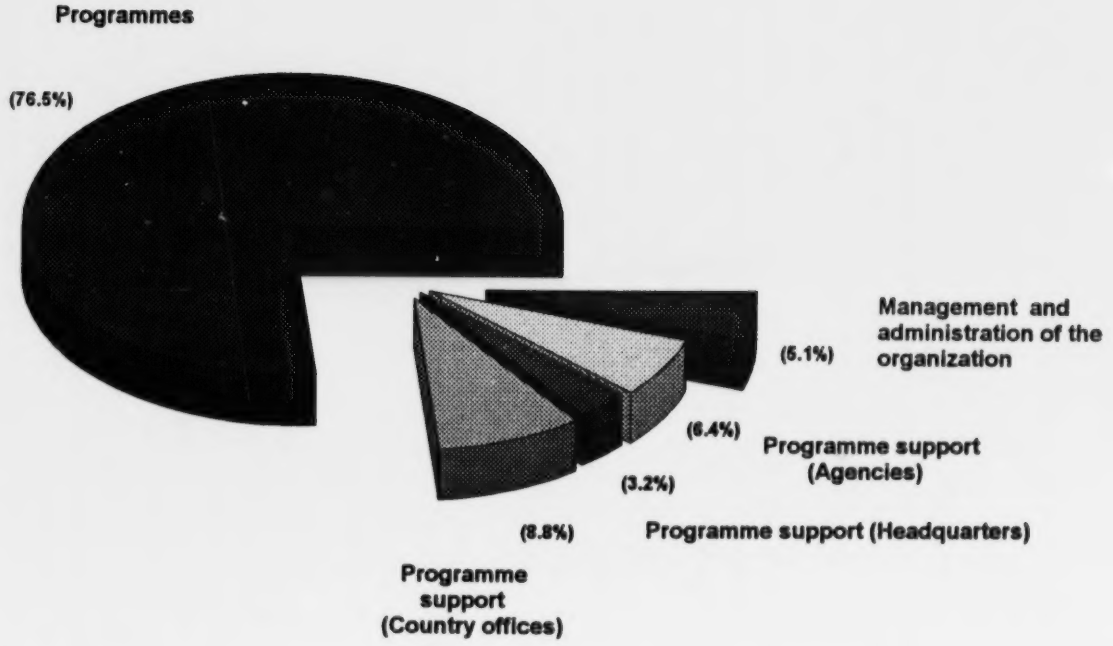
(Thousands of United States dollars)

Resources available	1996-1997 Regular resources $	%	Other resources $	%	Total resources $	%	1998-1999 Regular resources $	%	Other resources $	%	Total resources $	%
Opening balance	23,485.0				23,485.0							
Income												
Contribution	633,761.0		30,000.0		663,761.0		720,000.0		50,000.0		770,000.0	
Reimbursement for services	1,073.0		902.0		1,975.0				3,100.0		3,100.0	
Total	658,319.0		30,902.0		689,221.0		720,000.0		53,100.0		773,100.0	
Use of resources												
UNFPA programmes and support activities												
A. Programmes	497,534.7	75.6%	29,000.0	96.7%	526,534.7	76.5%	540,602.5	75.1%	48,500.0	97.0%	589,102.5	76.5%
B. Programme Support												
Country offices	62,488.3	9.5%			62,488.3	9.1%	67,401.4	9.4%			67,401.4	8.8%
Headquarters	26,040.8	4.0%			26,040.8	3.8%	24,592.3	3.4%			24,592.3	3.2%
Agencies												
Technical support	20,206.4	3.1%			20,206.4	2.9%	24,000.0	3.3%			24,000.0	3.1%
Adm. and oper. support	13,732.0	2.1%	1,000.0	3.3%	14,732.0	2.1%	24,000.0	3.3%	1,500.0	3.0%	25,500.0	3.3%
Subtotal	33,938.4	5.2%	1,000.0	3.3%	34,938.4	5.1%	48,000.0	6.7%	1,500.0	3.0%	49,500.0	6.4%
Total programme support	122,467.5	18.6%	1,000.0	3.3%	123,467.5	17.9%	139,993.7	19.4%	1,500.0	3.0%	141,493.7	18.4%
c. Management and admin. of org.	38,316.9	5.8%			38,316.9	5.6%	39,403.8	5.5%			39,403.8	5.1%
Total	658,319.1	100.0%	30,000.0		688,319.1	100.0%	720,000.0	100.0%	50,000.0		770,000.0	100.0%
Reconciliation - Gross budget estimates												
Total from above	658,319.1		30,000.0		688,319.1		720,000.0		50,000.0		770,000.0	
Less: Programmes	(497,534.7)		(29,000.0)		(526,534.7)		(540,602.5)		(48,500.0)		(589,102.5)	
Agencies	(33,938.4)		(1,000.0)		(34,938.4)		(48,000.0)		(1,500.0)		(49,500.0)	
Subtotal	126,846.0				126,846.0		131,397.5				131,397.5	
Add: Reimbursement for serv.			902.0		902.0				1,240.0		1,240.0	
Income to the budget	10,000.0				10,000.0		11,858.0				11,858.0	
Total gross budget estimates	136,846.0		902.0		137,748.0		143,255.5		1,240.0		144,495.5	

See table 6: Use of resources

See table 1: Gross budget estimates
See table I: Total gross approp. by org. unit
See table II: Total gross approp. by exp. cat.

Figure D. Use of total resources, 1998-1999



B. Financial Framework

27. The proposed biennial support budget for 1998-1999 amounts to $143.3 million (gross) or $131.4 million (net), assuming a total resources income level of $770 million for the 1998-1999 biennium, as reflected in the Fund's work plan for 1998-2001 (DP/FPA/1997/7). This amount, which includes $50 million in multi-bilateral resources, is based on an estimated regular resource income for 1997 of $325 million, with a projected annual increase of 7 per cent for the regular resource income in 1998 and 1999. This projection was made taking into account preliminary indications from major donor countries about their pledges for 1998.

28. UNFPA's regular resources income in 1996 was $308.8 million, a decrease of $3.8 million or 1.2 per cent over the 1995 income of $312.6 million. This figure includes contributions from Governments, investment income, private donations and other miscellaneous adjustments; however, it excludes all contributions received from donors for specific projects and activities under trust funds. As stated above, regular resources income for 1997 is estimated at approximately $325 million, bringing the Fund's regular resources income to an estimated $633.8 million for the 1996-1997 biennium. The total resources income, including an estimated $30 million from multi-bilateral funds, brings the income for 1996-1997 to $663.8 million, or $38.2 million (5.5 per cent) short of the estimated $702 million in the original budget proposal for 1996-1997. It is anticipated that the budget expenditures for 1996-1997 will amount to about $110 million, or US$16.8 million (13.2 per cent) less than the approved appropriations. Thus, in accordance with the Executive Board decisions, UNFPA expects to manage its APSS expenditures well within reasonable limits.

29. Table 3 compares regular and total estimated resources income for the 1998-1999 biennium with the resource income estimated for the previous biennium, as well as the proposed 1998-1999 support budget estimates with 1996-1997 approved appropriations. It also shows the use of those resources by appropriation line and in absolute terms and as percentages. It is foreseen that in 1998-1999 the amount of $589.1 million, or 76.5 per cent, of the total resources will be spent on programmes, $141.5 million, or 18.4 per cent, on programme support and $39.4 million, or 5.1 per cent, on management and administration of the organization. This compares to $526.5 million, or 76.5 per cent, $123.5 million, or 17.9 per cent, and $38.3 million, or 5.6 per cent, respectively, in 1996-1997. [It should be noted that in line with their usage the estimates for the TSS (including CSTs) are apportioned to Programmes (60 per cent) and Technical Support of Agencies (40 per cent)].

30. The biennial support budget for 1998-1999 consists of the programme support, of which 8.8 per cent would be at the country level and 3.2 per cent would be for headquarters, and management and administration of the organization (5.1 per cent), which together equal 17.1 per cent of the total resources, as compared to a total of 18.4 per cent in 1996-1997. When measured against regular resources, the percentages are 9.4 per cent, 3.4 per cent, and 5.5 per cent or a total of 18.3 per cent as compared to a total of 19.3 per cent of regular resources in 1996-1997. Measured against total resources, the proportion for management and administration of the organization shows a decrease from 5.6 per cent in the current biennium to 5.1 per cent in the next

biennium; the programme support part of the budget also shows a decline from 12.9 per cent to 12 per cent while the agencies' programme support (TSS and administrative and operational services) shows an increase from 5.1 per cent to 6.4 per cent. When measured against regular resources, management and administration costs amount to 5.5 per cent as compared to 5.8 per cent for 1996-1997.

31. While the total resources are expected to increase by $81.7 million from $688.3 million to $770 million, or 11.9 per cent, the related gross biennial support budget is planned to be $144.5 million, or an increase of $6.8 million, or 4.9 per cent, from the $137.7 million in 1996-1997. Similarly, regular resources are expected to increase by $61.7 million, from $658.3 million to $720 million or 9.3 per cent, while the related gross biennial support budget will increase by $6.5 million, from $136.8 million to $143.3 million, or only 4.7 per cent. Looking at the net estimates, the proposed budget for 1998-1999 is estimated at $131.4 million as compared to the approved appropriations for 1996-1997 in the amount of $126.8 million, amounting to an increase of $4.6 million, or only 3.6 per cent. In line with the budgetary strategy, these figures show UNFPA's continuing commitment to contain its administrative expenditures and to strengthen programme support, in particular at the country level. The pie chart in figure D shows the distribution of use of the total resources for the next biennium; the pie chart in figure A shows the distribution of the use of the gross budget estimates by appropriation line and location.

32. With respect to reimbursement of income to the budget for services rendered by UNFPA, the treatment of these resources is explained in paragraphs 31-40 of document DP/1997/2. Relevant parts of the UNFPA establishment that are financed through the UNFPA biennial support budget perform tasks associated with Other Resources relating to Programmes (multi-bilateral funds) and with support and procurement services provided to government-executed projects. Because of the relatively small scale of the additional income, it is not realistic to try to allocate specific items to all the units that provide support. As a result, the related income is credited to the regular resources budget to offset these costs. The estimated income in the amount of $10 million is apportioned among the three appropriation lines.

33. With regard to Other Resources relating to reimbursements (procurement services to third parties), these resources are administered separately from regular resources. Starting in 1998-1999, any balance of income remaining at the close of the biennium after meeting the direct costs of these services will also be credited to regular resources income in the budget. Income from reimbursement services to third parties is expected to be $3.1 million. Of this amount, $1.2 million is expected to be spent for direct cost (salaries, rent and operating expenses for procurement staff), with the balance of $1.9 million to be credited as income in the regular budget, apportioned among the three appropriation lines. Thus, together with the estimated income of $10 million mentioned above, a total of $11.9 million is expected as income to the gross budget of $143.3 million, resulting in a net budget of $131.4 million. (It should be noted that for 1996-1997, the income from reimbursement for services was treated differently. After

charging the direct costs ($902,000) for salaries and operating expenses for procurement staff, the net income of $1.1 million was added to miscellaneous income, as per current UNFPA Financial Regulations and Rules. A revision of these Regulations and Rules will be prepared and submitted to the Executive Board for approval in order to reflect the requirements of the harmonization of budgets, as per document DP/1997/2 and decision 97/6).

II. PROPOSALS FOR THE 1998-999 BIENNIAL SUPPORT BUDGET

A. General

34. The biennial support budget for 1998-1999 is estimated at $143.3 million (gross) and $131.4 million (net), taking into account credits of $11.9 million to be earned by UNFPA, applied to the biennial support budget, in accordance to the methodology outlined in document DP/1997/2 and Add.1. Annex IV of this document includes information on the items included in the expenditure categories. Figure F provides a pie chart displaying the proposed expenditures by category: posts (69.4 per cent), other staff costs (1.1 per cent), consultants (0.5 per cent), travel (3.2 per cent), operating expenses (17.3 per cent), furniture and equipment (3.2 per cent) and reimbursement (5.3 per cent). Table I provides the gross costs by organizational units within appropriation line.

Staffing

35. In accordance with the budgetary strategy outlined above, the following staffing proposals for the 1998-1999 biennium are designed to meet the programme support and administrative needs of the Fund in the coming biennium and beyond. Based on past experience, vacancy rates of 4.5 per cent for internationally recruited staff (both at headquarters and in the field), 2 per cent for locally recruited staff at headquarters, and 5 per cent for locally recruited staff at country offices have been used in the calculation of actual staff costs. Also, to reflect the fact that new posts are not usually filled immediately after their approval by the Executive Board, the cost of the new posts has been estimated based on a 18-month incumbency, taking into account sufficient lead-time between approval of the post and appointment of staff.

36. Table 4 provides a breakdown of posts by appropriation line, organizational unit and category. It also reflects the new posts, reclassifications, realignments and reassignments proposed for 1998-1999. It is worth noting that all proposed increases in staffing are attributable to the country office network: the net increase of 53 new posts is composed of 55 new posts proposed for country offices, including two posts through reassignment of headquarters professional staff to country offices. Figure E displays the distribution of posts by category and appropriation line.

37. Established posts in 1996-1997. For the 1996-1997 biennium, UNFPA has a total of 919 posts, as shown in the table below:

Established posts in 1996-1997

Levels	USG	ASG	D2	D1	P5	P4	P3	NPO	Other GS	Total
Programme support										
-Headquarters	0	0	5	5	21	12	13	0	56	112
-Country Offices	0	0	0	16	50	8	7	141	453	675
Sub-total	0	0	5	21	71	20	20	141	509	787
Management and Administration*	1	1	4	4	16	14	11	0	81	132
Total	1	1	9	25	87	34	31	141	590	919

* Including the Evaluation Branch for 1996-1997.

38. Country offices: new posts. During the 1998-1999 biennium, UNFPA intends to continue to direct its efforts towards meeting the priorities emanating from the ICPD Programme of Action. This requires, among other things, the further decentralization of programme-approval authority and programme implementation; continued emphasis on institutional capacity-building and national execution; and the need to establish or strengthen offices in a number of countries, particularly in South-East Asia, Central Asia, Africa, the Arab Region and in Europe. To this end, the Executive Director proposes to continue to strengthen the Fund's country office network, as summarized in the table below:

Proposed additional field staff per region*

Region	Established posts	Total proposed additional posts 1998-1998					Total proposed posts 1998-1999	
	1996-1997	Rep.	IPO	NPO	Other	Total	Number	%
Africa	321	2	0	5	7	14	335	45.9
Arab States & Europe	88	3	0	5	10	18	106	14.5
Asia and the Pacific	172	2	0	5	12	19	191	26.2
Latin America & Caribbean	94	0	1	0	3	4	98	13.4
Total	675	7	1	15	32	55	730	100

*Including two posts to be moved from headquarters to the field

39. A brief justification of the main new posts requested for country offices follows:

Africa

40. Chad. For the current cycle 1996-2000, UNFPA is implementing a $9 million country programme in Chad, a category "A" (high priority) country. Presently, the programme is being monitored from the Central African Republic, which is also an "A" country. Difficult communications between the two countries is leading to bottlenecks and delays, resulting in

an implementation rate that needs to be improved. The vital statistics of the country show that it is of great importance to expand UNFPA's presence in Chad, increase the local office's capacity and improve the quality of programming. Therefore, the appointment of a UNFPA Representative in Chad is crucial.

41. Guinea-Bissau. It is proposed that a UNFPA Representative post be established in Guinea-Bissau, with coverage also of Cape Verde. Both are category "A" countries, and their country programmes are currently being monitored with the assistance of the Senegal country office, which is also an "A" country. It is clear from the indicators related to ICPD goals that there is a definite need in both countries for assistance in the area of population. The monitoring activities of the UNFPA office in Senegal -- which currently also covers an additional three countries -- has been curtailed because of the high level of activity within Senegal itself. This situation is resulting in low programme implementation rates in both Guinea-Bissau and Cape Verde. The combined expenditure ceilings of the programmes of these two countries is $8 million. Given the size of both programmes, and in order to improve implementation and to help build national capacity to implement the country programmes, UNFPA proposes to appoint one UNFPA Representative to cover both countries, to be based in Guinea-Bissau.

Arab States and Europe

42. Jordan. The fourth country programme was approved by the Governing Council in May 1992 for a total amount of $7 million, of which $5 million were programmed from UNFPA's regular resources. A programme review and strategy development (PRSD) exercise is under way to guide the development of new programme of assistance for the period of 1998-2002. The mid-term review (MTR) indicated that in order to ensure a more effective implementation of the next country programme, the country office, which is currently staffed only by one National Programme Officer, needs to be strengthened. Based on this, UNFPA is recommending the recruitment of a UNFPA Representative to spearhead the implementation and coordination of the new country programme.

43. It is recommended that the new UNFPA Representative in Jordan also cover the Fund's activities in Lebanon as Country Director. The first UNFPA programme of assistance for this country (1997-2001) is under way, and a UNFPA Representative based in a neighbouring country, such as Jordan, would provide the necessary support to the UNDP/UNFPA Representative, as well as help mobilize additional resources through multi-bilateral arrangements and to ensure coordination and collaboration with other United Nations agencies and multilateral donors involved in population activities.

44. Turkey. The current country programme (1995-1999) was approved by the Executive Board in the amount of $7 million, of which $6 million was programmed from UNFPA regular resources. The implementation rates of the country programme over the past two years have

been low. There is an urgent need to enhance coordination among national partners, United Nations agencies and other donors. Currently, programme management and monitoring is carried out by one National Programme Officer. Based on experience with countries of comparable level of funding and programme complexity, a UNFPA Representative is needed to strengthen the capacity of the country office and to improve the level of programme implementation.

45. Occupied Palestinian Territories. Classified as category "A", there has been a tangible increase in the level and the magnitude of UNFPA's assistance to the Palestinian people in the Occupied Palestinian Territories, particularly with the development of the first UNFPA programme of assistance (1996-1999), which was approved by the Executive Board in the amount of $7.2 million. Special emphasis has been placed by the United Nations and the donor community on coordination in the area. Therefore, the appointment of a UNFPA Representative is necessary to ensure effective and efficient management, monitoring and evaluation of programme activities, to mobilize donor support to the Fund's activities, and to ensure coordination and complementarity with other United Nations agencies and relevant multi-bilateral donors.

46. Support offices in Armenia, Georgia and Russian Federation. UNFPA has approved major reproductive health programmes in Armenia and Georgia as well as funding for other activities. All of these activities are currently being monitored by the UNDP offices in Yerevan and Tbilisi, but they lack the staff necessary to carry out the functions adequately. Therefore, UNFPA recommends the appointment of National Programme Officers in the capitals of both Armenia and Georgia. With respect to the Russian Federation, UNFPA is expected to gradually expand its activities following the Needs Assessment Mission that took place in May 1997. The activities will require monitoring and follow-up, for which UNFPA recommends the appointment of a National Programme Officer in Moscow. This staff member will need continuous logistical support to adequately perform the monitoring and follow-up functions.

Asia and the Pacific

47. Lao People's Democratic Republic. Classified as a category "A" country, the Lao People's Democratic Republic has begun to implement its new $6 million country programme for 1997-2000. Existing activities in the country are currently monitored with the assistance of the Thailand country office. However, UNFPA considers that, based on its experience in other countries, the implementation and monitoring of a country programme of this size would greatly improve if a full-time UNFPA Representative were resident in the country.

48. Mongolia. Also classified as a category "A" country, Mongolia has begun implementation of a $9.3 million country programme for 1997-2000 that is significantly larger than the previous one. The local support office in Mongolia, currently assisted by the UNFPA country office in China, is already working to the limit of its capacity. Therefore, the

implementation of the new country programme requires a full-time UNFPA Representative exclusively assigned to Mongolia.

49. Support offices in central Asian republics. Since the approval of the subregional programme in April 1995, UNFPA activities in the central Asian countries (Azerbaijan, Kazakstan, Kyrgyzstan, Tajikistan and Turkmenistan) have gained their own identity, and now all countries in this region have their own projects, ranging from $2 to $3 million in each country. The large number of countries in the region and the consequent fragmentation of the regional programme require that the UNFPA activities in each country are individually monitored on site. This would be achieved by appointing one National Programme Officer and one secretarial support staff person for each of the five republics, who would be supervised by the UNFPA Representative already in place in Uzbekistan.

Latin America and the Caribbean

50. Haiti. Haiti is one of two category "A" countries in the Latin America and Caribbean region. In addition, the Haiti country office also provides support towards the UNFPA-supported programme in the Dominican Republic. In order to strengthen country programme implementation in Haiti, and improve project management and monitoring in the Dominican Republic, UNFPA proposes the appointment of an International Programme Officer (IPO) in Haiti. This post will be covered through a reassignment of a post from headquarters, which will be upgraded from a P-3 to the P-4 level.

Other staffing proposals and actions

51. Other local posts. Aside from the international posts (UNFPA Representative and IPOs) described in the preceding paragraphs, UNFPA proposes the creation of a total of 47 new local posts in a number of country offices. These new posts would contribute to improving the programme monitoring and accounting expertise in certain country offices that UNFPA has identified as being understaffed in view of the need to carry out increased monitoring and implementation requirements.

52. Reassignment of IPOs. The assignment of IPOs to countries has been reexamined in light of the current size and complexity of the country programmes and availability of national staff. Resulting from this analysis, UNFPA proposes to move the existing IPO posts in Viet Nam and Nicaragua to Cambodia and Peru.

53. Realignment of headquarters units. During 1996 and 1997, the Fund has realigned some of its units, as part of the continued effort to strengthen the Fund's programme management. The Office of Oversight and Evaluation (OOE), previously located in TED as the Evaluation Branch, now reports directly to the Executive Director in order to ensure its independence in the implementation of its enhanced mandate. The coordination function of the Training and

Coordination Branch of the Planning and Coordination Division (PCD) was moved to the Office of the Deputy Executive Director (Programme), while the training function was moved to the Division for Finance, Personnel and Administration (DFPA). As part of further realignment, the coordination and management function for the CST/TSS system will be assigned to TED, while the personnel and administrative function for this system has been moved to DFPA. The post of coordination officer that had been assigned to the Training and Coordination Branch will be moved to Personnel Branch of DFPA; this reassignment will additionally strengthen the capacity of the Personnel Branch in support of the field staff, particularly national staff, and the added functions of post classification and of administering the CST/TSS personnel. Finally, the Library and Population Information Services Branch of PCD was relocated to TED, as part of the Education, Communication and Youth Branch.

54. Reassignment of posts for programme support. Aside from the realignments described in the preceding paragraph, some reassignments of headquarters posts are also proposed to take effect in 1998-1999, resulting from a further reorganization of TED, the most noteworthy budgetary change being the transfer to the field of two professional posts from TED at the D-1 and P-3 level (classified as programme support at headquarters). The net effect of these changes is a reduction of two professional posts at headquarters. For programme support at headquarters, the net effect is the transfer of three posts (two professional and one general service): two to the field and one to another headquarters unit.

55. Reassignment of post to management and administration. Besides the realignment, the only additional post proposed for management and administration of the organization (a general service level personnel assistant) would come, as indicated above, by way of reassignment from programme support at headquarters, with an upgrade.

56. Reclassification of posts. A number of reclassifications are also proposed by UNFPA for the 1998-1999 biennium. In headquarters, three general service and five professional staff would be upgraded by one level. Concerning general service staff, two upgrades at the secretary level (to G-5) and two upgrades from secretary to assistant level (to G-5 and G-6, respectively) are requested. As for professional posts, the request includes three upgrades from P-4 to P-5 level, pertaining to three professional officer posts in the Office of Oversight and Evaluation (considering the importance of the functions of this office, the level of P-5 for these posts is considered to be justified), one D-2 upgrade to ASG level, and one P-3 to P-4 in the Training Branch. As for country offices, in line with decision 95/35 on the ratio of UNFPA Representative posts at the D-1 level (i.e., up to 25 per cent) , and taking into account one D-1 post to be transferred from headquarters to the field, one upgrade from P-5 to D-1 is requested, bringing the total number of D-1 posts from 16 to 18 out of 73. In addition, the P-3 post being reassigned from headquarters to the field (the Haiti country office) would be reclassified to P-4. A number of local staff reclassifications are being budgeted within the support staff category and one upgrade from the programme assistant level to the professional level (NPO).

Summary of proposed posts for 1998-1999

57. The above mentioned proposals on posts at headquarters and in the field are summarized in the following table:

Summary of posts in 1998-1999

Levels	USG	ASG	D2	D1	P5	P4	P3	NPO	GS	Total	Compar.w/ 1996-1997
Programme Support											
-Headquarters											
Approved			5	5	21	12	13		56	112	
Re-assignments			-	-1	-	-	-1		-1	-3	
Sub-total			5	4	21	12	12		55	109	112
-Country offices											
Approved				16	50	8	7	141	453	675	
Re-classifications				+1	- 1	+1	-1	+ 1	- 1	0	
Re-assignments				+1			+1			2	
Addl proposed posts				-	6	-	-	14	33	53	
Sub-total				18	55	9	7	156	485	730	675
Management & Admin.											
Approved	1	1	4	4	16	14	11		81	132	
Re-classification		+1	-1		+3	-2	-1			0	
Re-assignments	-	-	-	-	-	-	-		+1	+1	
Sub-total	1	2	3	4	19	12	10		82	133	132
GRAND TOTAL	1	2	8	26	95	33	29	156	622	972	919

Posts financed from other resources

58. With respect to other resources, Table III shows a total of seven posts for reimbursable procurement services (three professionals and four support staff), all located in the Procurement and Administration Branch of DFPA. The direct costs of these posts, in the amount of $1.2 million, are borne by the fees earned for the provision of procurement services and are, thus, not part of the regular resource budget. The balance of the earnings, in the amount of $1.9 million, is added as income to the regular resources budget to offset the cost carried by other parts of the Fund at headquarters and in the field in support of services provided to third parties. Table III reflects the treatment of these resources, as explained in paragraph 33.

Office automation and management information systems

59. A number of enhancements to the Fund's main applications, such as the UNFPA Integrated Field Office System (UNIFOS) and the Programme Resource Management System (PRMS) have been introduced in the 1996-1997 biennium, to a large extent to make these

systems more user-friendly. In addition, new applications have been developed, such as the Inter-Office Voucher Examiner's Workbench (IOVEW) for the electronic validation of IOVs and automatic transfer of data into the General Ledger, and the automatic rephasing facility for national execution (UNFPA, Government, NGO) and execution by United Nations agencies and organizations (Department of Development Support and Management Services, WHO, ILO, FAO, UNESCO).

60. Also during the 1996-1997 biennium, the Fund has made considerable efforts to further improve its networking and communications capabilities. In this respect, the Network Operating System was upgraded, as will the Unix computer system, which will be greatly improved in terms of capacity and capabilities. This entails the migration of applications from the existing platform to the new platform. Also, changes in the use of communications modalities, especially in electronic mail, have been initiated. Intranet has been introduced in headquarters, and the Internet facility has been enhanced.

61. The overall MIS budget for the 1998-1999 period is estimated at $5.5 million (including the cost of the MIS staff), an increase of 10 per cent compared to that in the 1996-1997 biennium. Table 5 provides a breakdown of this figure by purpose of expenditure. UNFPA does not plan to develop major new systems in 1998-1999; consequently, all planned expenditure has been listed under "recurrent maintenance", although funds will be allocated for comprehensive redesign and redevelopment of existing systems to reflect re-engineering of business practices in finance and procurement management.

62. For the 1998-1999 biennium, the Fund will continue to support the maintenance and upgrade of equipment and software. All field offices will have computers equipped with Pentium processors or better equipment. Software standards will be modified to reflect the introduction of new technologies. By the end of the biennium, every country office will be equipped with a local area network (LAN) and its corresponding server and software.

63. Headquarters databases will be redesigned to take advantage of true potentials of object relational database models. Data warehousing and decision-support systems will be introduced. The field office database will be redesigned to be totally compatible with the headquarters database. Object-based development tools will be introduced for the development of the headquarters and the field office versions of the databases. UNIFOS will be migrated to Microsoft NT 4.0 (or later) servers with improved interfaces and technology.

64. Networking within headquarters and with the country offices will continue to be improved: LAN enhancements will continue to increase the capacity of the network. There will be major enhancements to the Internet and Intranet environments and servers. In addition, communications, including electronic-mail and database access from the field offices, will be improved.

65. There are three priorities for systems development in the coming biennium: (a) migration of PRMS into the new environment; (b) use of user-friendly software for ad hoc reporting, data entry and data warehouse; and (c) redesign and redevelopment of PRMS and UNIFOS.

Staff training and development

66. The Executive Board requested UNFPA to review its training programmes and to submit a report through the ACABQ as part of its consideration of the biennial budget submission for 1998-1999 (decision 95/35). The report is contained in document DP/FPA/97/11. The Executive Director's proposal for training and development in 1998-1999 is based on the outcome of this review and amounts to $2.3 million (excluding personnel costs), or a decrease of 11.5 per cent from the $2.6 million approved for 1996-1997. This reduction is a consequence of the use of more cost-effective training methods and of a Fund-wide reshaping of UNFPA's training activity. The majority of the funds for training ($1.8 million, or 80 per cent of the total) is earmarked for country offices, with a smaller amount -- $0.5 million (or 20 per cent) -- for headquarters' staff. This concentration on the field is intended to continue to strengthen the field staff's programme management abilities, this being of particular importance given UNFPA's emphasis on decentralizing programme management and decision-making to the country offices.

67. Following extensive reviews undertaken in 1996 of the training experience of UNFPA, the proposed budget focuses on training programmes to achieve the following operational goals: (a) strengthen the capacity of UNFPA field offices to deliver quality programmes and headquarters' staff in their support for building national capacity; (b) expand the quality of training assistance and support to staff in core competency areas; (c) strengthen UNFPA's training modalities through increasing decentralization; and (d) accelerate the implementation of General Assembly resolutions through strengthening collaboration among United Nations system organizations. Workshop training will continue to be needed in introducing new policy and programme guidelines, in increasing substantive knowledge and in updating staff on changing financial procedures in line with the increasing decentralization of the organization. At the same time, however, increased use of alternative and more cost-effective delivery training avenues are being explored to widen the support given to resource teams of trainers in the field by providing them with resources and equipment for new training methodologies, including open and distance learning and interactive electronic systems, as feasible.

68. UNFPA has been an active supporter of greater coordination in training throughout the United Nations system. Close collaboration and benefits have been realized in the coordination efforts of the Joint Consultative Group on Policy (JCGP), the Consultative Committee on Programme and Operational Questions of the Administrative Committee on Coordination (CCPOQ/ACC) and to the United Nations Staff College (UNSC) in Turin. UNFPA will continue to support management coordination for senior field representatives as part of efforts to build a coordinated United Nations learning organization. Managers and supervisors will be

responsible for fostering a learning environment through on-the-job training, coaching and mentoring as part of ensuring the continuum from learning to improving day-to-day job performance, as well as ongoing monitoring of the impact of the training. Annual review of training needs and evaluations of training activities are planned to ensure a high-quality training programme in UNFPA.

Summary of training proposals*
(in thousands of US dollars)

Activities	Country Offices	Headquarters	Total
Induction/Briefings	319.3	13.4	332.7
Refresher/Competency Based	947.6	236.9	1,184.5
Interagency and other	539.8	202.9	742.7
Total	1,806.8	453.2	2,260.0

* Excluding MIS Training

Publications

69. UNFPA proposes expenditures for publications totaling $2.0 million over the next biennium. This represents a 3 per cent increase over 1996-1997 appropriations, all of it attributable to cost increases. The proposals are in line with Governing Council decision 91/36 and Executive Board decision 97/13 on the UNFPA information and communication strategy. UNFPA's information and communication strategy, as part of its overall role in advocacy, is to ensure that the principles, goals and objectives of ICPD are understood and accepted; to secure commitment and funding for meeting these objectives; and to build support for UNFPA's programme and resource-building activities. The publications programme is a key element in this strategy. Details will be found in document DP/FPA/1997/8, entitled UNFPA Information and Communication Strategy, and document DP/1991/37 on UNFPA publications, paragraph 12.

70. To carry out these activities, and in line with decision 91/36 concerning the rationale for APSS funding of publications as part of the biennial support budget, the Information and External Relations Division produces a brochure on UNFPA (in two versions); the UNFPA *Annual Report*; *Populi*, a quarterly journal of news items, feature articles, viewpoints and resource information; *Dispatches*, a monthly newsletter on UNFPA policy and programme developments; and *Population Issues Briefing Kit*, a primer released each year for World Population Day. In addition, the Division is currently producing an ongoing series of advocacy booklets on various topics related to the UNFPA information mandate. Recent titles include: *Food for the Future: Women, Population and Food Security*; *A New Role for Men: Partners for Women's Empowerment;* and *Hopes and Realities: Closing the Gap between Women's Aspirations and their Reproductive Experiences.* All publications are produced in English, French and Spanish; many are also produced in Arabic.

71. Decision 96/18 on the publications programme of UNFPA requested the Executive Director to present in this budget document detailed costs of publications, including information on the distribution of publications. The next two tables provide information accordingly.

Publications

1996-1997 Approved appropriation and
1998-1999 Proposed budget

Cost estimates
(Thousands of US dollars)

	1996-1997	1998-1999			
	Approved Appropriation	Volume Increase (Decrease)	Cost Increase (Decrease)	Total Increase (Decrease)	Total Estimates
UNFPA Annual Report	535.0	(180.0)	(15.0)	(195.0)	340.0
POPULI	531.6	(180.0)	(11.6)	(191.6)	340.0
UNFPA Brochure	160.2	(80.8)	26.6	(54.2)	106.0
UNFPA Briefing Kit	99.3	59.0	21.7	80.7	180.0
UNFPA Publications/Audio-Visual Guide	12.0	1.5	0.5	2.0	14.0
Guide to Information/ Activities/ Dispatches	300.1	220.0	24.9	244.9	545.0
UNFPA One World Almanac	68.4	5.0	1.6	6.6	75.0
Advocacy-related booklets	241.8	148.6	9.6	158.2	400.0
Total	1,948.4	(6.7)	58.3	51.6	2,000.0

PRINT RUNS AND DISTRIBUTION OF UNFPA PUBLICATIONS FOR 1997

PUBLICATIONS	LANGUAGE	PRINT RUN	DISTRIBUTED*
UNFPA ANNUAL REPORT	English	15,000	11,500
	French	5,000	3,270
	Spanish	4,000	3,260
	Arabic	1,240	880
	Chinese	1,000	800
POPULI	English	11,000	10,100
	French	3,500	2,900
	Spanish	3,500	2,900
DISPATCHES	English	11,000	10,100
	French	3,500	2,900
	Spanish	3,500	2,900
UNFPA BROCHURE	English	20,000	13,260
	French	13,000	7,725
	Spanish	13,000	8,795
	Arabic	6,000	3,620
POPULATION ISSUES BRIEFING KIT	English	18,000	12,700
	French	6,500	3,720
	Spanish	5,500	2,940
	Arabic	4,000	2,020
WORLD POPULATION DAY BROCHURE	English	15,000	12,600
	French	5,500	4,300
	Spanish	3,500	2,750
	Arabic	5,000	2,600
ADVOCACY BOOKLETS:			
(1) ADVOCATING CHANGE	English	6,000	4,200
	French	2,500	2,150
	Spanish	2,300	1,650
	Arabic	1,300	1,090
(2) NEW ROLE FOR MEN	English	12,400	6,250
	French	4,100	2,580
	Spanish	1,600	1,560
	Arabic	1,300	1,160
(3) HOPES AND REALITIES	English	6,000	4,200
	French	2,500	2,300
	Spanish	1,500	1,270
	Arabic	1,300	1,050
(4) FOOD FOR THE FUTURE	English	12,000	6,500
	French	5,700	2,650
	Spanish	2,700	1,620
	Arabic	1,700	1,350
(5) RIO PLUS FIVE	English	6,500	650
	French	2,000	350
	Spanish	2,000	350
	Arabic	1,000	250
(6) AGENDA 21	English	6,500	650
	French	2,000	350
	Spanish	2,000	350
	Arabic	1,000	250

* Initial distribution; all stocks are normally distributed within one year of publication.

Table 4. Proposed changes in regular resource post requirements 1998-1999

Organizational Unit	1996-1997	International professional category and above									GS and Other Categ.	Grand Total	1998-1999
		USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof			
1996-1997 APPROVED POSTS		2	9	25	87	34	31		188	141	590	919	
POST INCREASES/DECREASES													
A. Programme support													
1. Country offices Total (net) - A.1	675			1	6		1		8	1	33	55	730
2. Headquarters													
Africa Division	24										(1)	(1)	23
Division for Arab States/Europe	12										1	1	13
Asia and the Pacific Division	18										(1)	(1)	17
Latin America and the Caribbean Div	12												12
Technical and Evaluation Division	46			(1)			(1)		(2)			(2)	44
Total (net) - A.2	112			(1)			(1)		(2)		(1)	(3)	109
Total (net) - A	787				6				6	14	32	52	839
B. Management and admin. of organization													
Office of Executive Director	16					(1)			(1)		1		16
Office of Oversight and Evaluation	9												9
Div. for Finance, Personnel and Admin.	62					1			1		1	2	64
Information and External Relations Div	29												29
Planning and Coordination Division	16										(1)	(1)	15
Total (net) - B	132										1	1	133
Total: Post increases/decreases (net)	919				6				6	14	33	53	972
POST RECLASSIFICATIONS													
A. Programme support													
Headquarters													
Country Offices				1	(1)	1	(1)			1	(1)		
Total (net) - A				1	(1)	1	(1)			1	(1)		
B. Management and admin. of organization													
Office of Executive Director		1	(1)										
Office of Evaluation and Oversight					3	(3)							
Div. for Finance, Personnel and Admin.						1	(1)						
Total (net) - B		1	(1)		3	(2)	(1)						
Total: Post classification (net)		1	(1)	1	2	(1)	(2)			1	(1)		
Total Changes (net)	919	1	(1)	1	8	(1)	(2)		6	15	32	53	972
1998-1999 PROPOSED POSTS		3	8	26	95	33	29		194	156	622	972	

See table 2: Regular resource posts
See table III: Posts for Regular resources

Figure E. Posts by category and appropriation line, 1998-1999

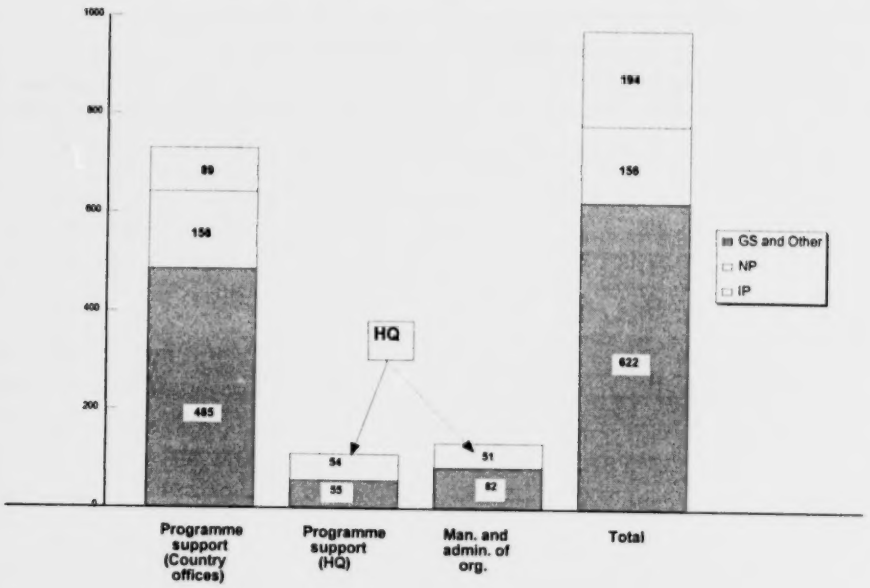


Figure F. Expenditure by category, 1998-1999

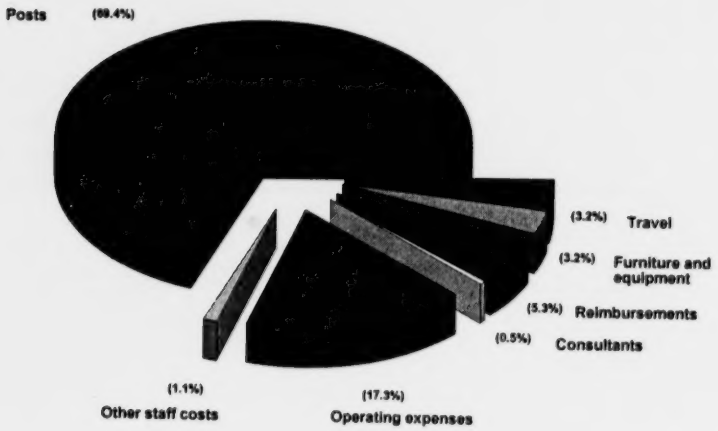


Table 5. Estimated distribution of EDP requirements, 1998-1999
(Thousands of United States dollars)

Purpose	Staff costs	Contractual services: Systems develop.	Contractual services: Maint. services	Acquis. hard.,soft. supplies	Other	Total
I. RECURRENT MAINTENANCE						
1996-1997	1,618.6	450.0	549.5	1,916.9	495.6	5,030.6
1998-1999	1,620.0	580.0	560.0	2,265.0	530.0	5,555.0
II. DEVELOPMENT OF MAJOR SYSTEMS						
Budget system						
1996-1997	0.0	0.0	0.0	0.0	0.0	0.0
1998-1999	0.0	0.0	0.0	0.0	0.0	0.0
Programme management system						
1996-1997	0.0	0.0	0.0	0.0	0.0	0.0
1998-1999	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal: II. Development of systems						
1996-1997	0.0	0.0	0.0	0.0	0.0	0.0
1998-1999	0.0	0.0	0.0	0.0	0.0	0.0
III. GRAND TOTAL						
1996-1997	1,618.6	450.0	549.5	1,916.9	495.6	5,030.6
1998-1999	1,620.0	580.0	560.0	2,265.0	530.0	5,555.0

B. Programme Support

Table 6. Use of resources: Estimated regional distribution of Programmes and Programme Support

(Thousands of United States dollars)

	1996-1997						1998 - 1999					
	Regular resources $	%	Other resources $	%	Total resources $	%	Regular resources $	%	Other resources $	%	Total resources $	%
AFRICA												
A. Programmes	170,553.9		9,941.1		180,495.0		190,194.2		18,915.0		209,109.2	
B. Programme support												
Country offices	28,235.3				28,235.3		29,557.5				29,557.5	
Africa Division	5,118.6				5,118.6		4,843.4				4,843.4	
Subtotal - Prog. support	33,353.8				33,353.8		34,400.9				34,400.9	
Total Africa	203,907.7	31.0%	9,941.1		213,848.9	31.1%	224,595.1	31.2%	18,915.0		243,510.1	31.6%
ARAB STATES AND EUROPE												
A. Programmes	58,347.4		3,400.9		61,748.3		63,398.1		6,305.0		69,703.1	
B. Programme support												
Country offices	8,645.1				8,645.1		10,053.5				10,053.5	
Div. for Arab States/Europe	2,659.0				2,659.0		2,768.1				2,768.1	
Subtotal - Prog. support	11,304.0				11,304.0		12,821.5		6,305.0		12,821.5	
Total Arab States and Europe	69,651.4	10.6%	3,400.9		73,052.3	10.6%	76,219.6	10.6%	12,610.0		82,524.6	10.7%
ASIA AND THE PACIFIC												
A. Programmes	166,065.6		9,679.5		175,745.2		185,317.5		18,430.0		203,747.5	
B. Programme support												
Country offices	15,294.4				15,294.4		16,757.0				16,757.0	
Asia and the Pacific Division	3,886.1				3,886.1		3,654.8				3,654.8	
Subtotal - Prog. support	19,180.5				19,180.5		20,411.8		18,430.0		20,411.8	
Total Asia and the Pacific	185,246.1	28.1%	9,679.5		194,925.7	28.3%	205,729.3	28.6%	36,860.0		224,159.3	29.1%
LATIN AMERICA AND THE CARIBBEAN												
A. Programmes	53,859.1		3,139.3		56,998.4		48,767.8		4,850.0		53,617.8	
B. Programme support												
Country offices	10,313.6				10,313.6		11,033.6				11,033.6	
Latin America and the Caribbean Division	2,652.8				2,652.8		2,816.8				2,816.8	
Subtotal - Prog. support	12,966.4				12,966.4		13,850.4				13,850.4	
Total Latin America & Caribbean Division	66,825.5	10.2%	3,139.3		69,964.8	10.2%	62,418.2	8.7%	4,850.0		67,268.2	8.7%
INTERCOUNTRY												
A. Programmes	48,708.6		2,839.1		51,547.7		52,925.0				52,925.0	
B. Programme support												
Technical and Evaluation Division	11,724.4				11,724.4		10,709.1				10,709.1	
Subtotal - Prog. support	11,724.4				63,272.1		63,634.1				63,634.1	
Total Intercountry	60,433.0	9.2%	2,839.1		63,272.1	9.2%	63,634.1	8.8%			63,634.1	8.3%
TOTAL												
A. Programmes	497,534.7		29,000.0		526,534.7		540,602.5		48,500.0		589,102.5	
B. Programme support												
Country offices	62,488.3				62,488.3		67,401.5				67,401.5	
Headquarters support	26,040.8				26,040.8		24,592.2				24,592.2	
Subtotal - UNFPA Prog.sup	88,529.1	13.4%			88,529.1	12.9%	91,993.7	12.8%			91,993.7	11.9%
Subtotal - UNFPA Prog. and Prog. sup	586,063.8	89.0%	29,000.0		615,063.8	89.4%	632,596.2	87.9%	48,500.0		681,096.2	88.5%
Agency support	33,938.4	5.2%	1,000.0		34,938.4	5.1%	48,000.0	6.7%	1,500.0		49,500.0	6.4%
Total Programmes and Prog. support	620,002.2	94.2%	30,000.0		650,002.2	94.4%	680,596.2	94.5%	50,000.0		730,596.2	94.9%
C. Management and admin. of org	38,316.9	5.8%			38,316.9	5.6%	39,403.8	5.5%			39,403.8	5.1%
GRAND TOTAL	658,319.1	100.0%	30,000.0		688,319.1	100.0%	720,000.0	100.0%	50,000.0		770,000.1	100.0%

See table 3: Use of resources

B. Programme Support

Overall

72. The biennial support budget devoted to programme support activities for 1998-1999 is estimated at $100.3 million (gross). This represents an increase of $4.8 million (or 5.0 per cent) over the 1996-1997 appropriation, attributable to volume (87 per cent) and cost (13 per cent) increases in the field budget. As shown in table 1 and figure A, UNFPA will consequently devote 70.0 per cent of its biennial support budget to programme support activities compared to 69.8 per cent in the previous biennium. Tables I and II show the proposed gross budget estimates by organizational unit and expenditure category, respectively, for programme support at the field level and at headquarters. (Note: The treatment of TSS/CST and of income derived from other resources is explained in paragraphs 29 and 32-33, respectively, in connection with table 3.)

73. Table 6 shows the regional distribution of the regular programme funds, reflecting Africa as a priority region for UNFPA activities, which will increase its position in 1998-1999 as the leading recipient of UNFPA regular programme funds, followed by Asia. Both regions also show significant increases in programme funds in absolute terms. Africa is the largest programme support funds recipient, which is consistent with the programme funds allocation, as a consequence of the relatively large number of country offices maintained in the continent (44 proposed for 1998-1999 versus 27 in Asia and 18 each in both Arab States and Europe, and Latin America and the Caribbean).

74. Taking together regular programme and programme support funds, Africa will receive $224.6 million, or 31.2 per cent of total UNFPA 1998-1999 funds, while Asia will receive $205.7 million, or 28.6 per cent. Reflecting UNFPA's regional priorities, the programme and programme support for the Arab States and Europe region and Latin America and the Caribbean are estimated to be $76.2 million (or 10.6 per cent) and $62.4 million (or 8.7 per cent), respectively. Intercountry funds and agency programme support make up 8.8 per cent and 6.7 per cent, respectively, leading to a total of $680.6 million or 94.5 per cent for regular programme and programme support for 1998-1999, as compared to 94.2 per cent in 1996-1997. Relatively, the regular resources applied for management and administration of the organization decline as compared to the previous biennium: from 5.8 per cent (or $38.3 million) in 1996-1997, to 5.4 per cent (or $39.4 million) in 1998-1999.

Country offices

75. The proposed appropriation for country offices in the amount of $73.5 million (gross) shows an increase of $6.1 million (or 9.1 per cent) compared to the 1996-1997 biennium, reflecting the increasing responsibilities of the country offices in assisting Governments with

programme development and monitoring, in advocacy and policy advice and as partners in the Resident Coordinator system. The amount represents 51.3 per cent of the total gross appropriation, which compares favourably with the 49.3 per cent reflected in the 1996-1997 budget. As table I shows, the increase in appropriations for the country offices is mainly due to volume increases ($5.3 million, or 7.8 per cent). On a net basis, the appropriation amounts to $67.4 million, which is an increase of $4.9 million, or 7.8 per cent, over the $62.5 million in 1996-1997.

76. Posts. Staff costs in country offices are the largest expenditure category, totaling $51.9 million (36.2 per cent of the total proposed gross appropriation) for the 1998-1999 biennium. As shown in table 2 and figure B, out of the 972 proposed posts, 730 (75.1 per cent) will be located in the field, including all of the proposed 53 new posts and two professional posts from headquarters. This results in a volume increase for salaries and common staff costs in the amount of $2.9 million in the 1998-1999 field budget. Cost increases are estimated at $0.2 million and reflect statutory salary and common staff cost increases, inflation factors, as well as the effect of the estimated vacancy rate (see paragraph 35). A breakdown of posts by category are provided in tables 4 and III. The cost of staff training and development is estimated at $1.8 million, which represents a reduction of $0.2 million (or 10 per cent) over the 1996-97 country office training appropriation. This reduction results from the utilization of more cost-effective training methods, coupled with a realignment of the country office training activity. The budget estimates for EDP training amount to $350,000.

77. Other staff costs. The proposed estimate for temporary assistance at country offices for 1998-1999 is $0.5 million, resulting from a 2.3 per cent volume increase attributable to the increased activity in most country offices caused by their increased responsibility in implementing UNFPA's programmes. Provisions for overtime amount to $0.5 million, representing a volume increase of 2.4 per cent.

78. Travel. The proposed estimate for travel in country offices is $2.5 million, with a volume increase of 9.1 per cent; it includes provisions for local travel to administer programmes and visits to UNFPA and other United Nations agencies' headquarters.

79. Operating expenses are estimated at $14.6 million, with a net volume increase of $2.1 million. Most of this volume increase ($1.2 million) is attributable to the additional operating expenses associated with the proposed new posts for UNFPA Representatives, the proposed additional country office staff, and the set-up of eight new support offices. The budget estimate includes the expenses anticipated for the activities in support of common premises in country offices, carried out under the auspices of the Joint Consultative Group on Policy (JCGP), for an amount of $310,000.

80. Furniture and equipment. The appropriation for furniture and equipment is estimated at $3.5 million, including a net volume increase of $33,000. This net increase results from the increase attributable to the new posts as described in the preceding paragraph ($223,000) less an offsetting decrease in the need of country offices for furniture and equipment, following

extensive re-equipment in prior years. The budget estimate of $3.5 million includes $1.2 million for the purchase of hardware and software for the country offices, as described in paragraphs 59 to 65.

Headquarters

81. The programme support at headquarters pertains to the costs for the four Programme Divisions and the Technical and Evaluation Division.

82. Posts. Total staff costs are projected at $21.9 million. The $0.7 million volume decrease results from the re-assignment to the field of two professional posts as explained in paragraph 54 and a general service post to another headquarters unit. The cost increase of $0.4 million is a net figure, composed of an increase to reflect salary increases and common staff costs as well as inflation factors, and of a decrease that reflects the higher vacancy rate assessed in the 1998-1999 biennium compared to the previous biennial period. On analysing the volume and cost changes, it should also be noted that, to provide a more consistent comparison with 1996-1997, the effects of the realignment described in paragraph 53 have been included in 1998-1999. Also, to simplify the presentation of staffing in the tables, the 1996-1997 figures have been expressed based on the realignment described in paragraph 53. Therefore, the columns pertaining to proposed changes include only the reassignment and reclassifications described in paragraphs 54 and 56, respectively. In terms of number of staff members, programme support at headquarters would result in a net reduction of three posts, two of them to be transferred to the field and the remaining post to another headquarters unit.

83. Other staff costs. The $51,800 volume increase in other staff costs is mainly caused by the need to provide extra temporary assistance support and overtime given the continued increase of activity in the biennium.

84. Consultants. In addition to ad hoc technical meetings and consultations, some specific activities requiring consultancy services would include, inter alia, developing a comprehensive framework for integration of gender issues into UNFPA policies and programmes and formulating indicators for more effective monitoring of UNFPA policies and programmes.

85. Travel. Travel appropriations will increase slightly (1.4 per cent volume increase) as a consequence of the increased monitoring activity foreseen for 1998-1999.

86. Operating expenses. The reduction of operating expenses, including a volume decrease of $0.5 million is mainly the result of the savings obtained in those objects of expenditure controlled directly at headquarters (see paragraph 93). In addition, the decrease in number of staff members in programme support at headquarters results in a volume decrease of operating expenses.

87. Furniture and equipment. The estimates for furniture and equipment total $0.4 million, approximately the same as the 1996-1997 approved appropriation. The 1998-1999 proposal includes $0.3 million for computer hardware and software, which represents the proportional part of the MIS proposal described in paragraphs 59 to 65.

C. Management and Administration of the Organization

88. The management and administration of the organization pertains to the costs for the Office of the Executive Director, the Office of Oversight and Evaluation, the Information and External Relations Division, the Planning and Coordination Division, and the Division for Finance, Personnel and Administration. Tables I and II show the gross estimates by organizational unit and by expenditure category, respectively, for management and administration of the organization at headquarters. The total gross estimate for 1998-1999 amounts to $42.9 million, an increase of $1.6 million compared to the approved appropriation for 1996-1997 of $41.3 million. This net change is composed of a net volume increase of $1 million and a net cost increase of $0.7 million. For the cost increases, international payroll costs at New York and Geneva, inflation, statutory increases and other cost factors were taken into account. For all other operating expenses, however, inflation rates were based on projected costs of commercial goods and services and of inflationary clauses in contractual arrangements of the Fund. Most operational expenditures were budgeted using an inflation rate of 3 per cent.

89. Posts. The proposed estimate for salaries and common staff costs for the posts required for management and administration of the organization is $25.6 million. The cost increase of $0.3 million for posts (salary plus common staff costs) results from statutory salary increments. The $0.2 million volume increase is a consequence of one post being reassigned from another headquarters programme support unit and upgrades. The cost for staff training and career development for staff members in management and administration is estimated at $0.3 million, including computer-related training. This amount reflects a volume decrease of 18 per cent and is a consequence of the utilization of more cost-effective training methods, coupled with a realignment of the training activity.

90. Other staff costs. The estimates for temporary assistance and overtime amount to $0.4 million, reflecting a volume increase of $70,300 from the 1996-1997 biennium. Temporary assistance is required to replace staff on maternity and extended sick leaves, to provide clerical and editorial assistance during the preparation of the Executive Board and other documentation, and to provide clerical assistance during training workshops and seminars held at headquarters for UNFPA field and headquarters staff. Also, temporary assistance and overtime are sometimes used to cover the needs for general service support during heavy workload periods.

91. Consultants. The cost of consultants in the 1998-1999 biennium is estimated at $0.5 million reflecting a slight volume decrease as compared to the previous biennium. The proposed purposes of the consultancies include, inter alia, the update of the Programme Country Profiles, the implementation of the population debt exchange programme, the development of a work measurement study for multi-bilateral reporting, services for the Pledging Conference, the

maintenance and updating of branch-specific software systems in personnel, finance, procurement and administration, classification consultancy services and the follow-up of the financial operations review started in 1997.

92. Travel on official business. Estimates amount to $1.5 million for official travel, comprising a $0.4 million volume increase from the 1996-1997 budget. This reflects increasing requirements related to advocacy, management and oversight.

93. Operating expenses. The 1998-1999 rental cost estimates for headquarters and the UNFPA liaison office in Geneva amount to $4.1 million, including the space occupied by the programme support staff at headquarters. Negotiations for the renewal of the lease of the New York premises resulted in significant costs savings in the amount of $1.4 million in the 1998-1999 proposed appropriation as compared to the 1996-1997 appropriation. Out of this $1.4 million cost reduction, $0.7 corresponds to the units pertaining to management and administration of the organization. Most other operational expenses show volume decreases as a result of an effort to curtail administrative expenses by carefully reviewing all the relevant objects of expenditure in light of actual expenditure patterns and anticipated needs. The combined volume decrease for operational expenses corresponding to the units for management and administration of the organization units amounts to $0.1 million.

94. Furniture and equipment. In light of the actual needs for the next biennium and after re-equipment in recent years, the Fund will need less provision for furniture and equipment than it did in the previous biennium, resulting in a volume decrease of $0.3 million. The $0.6 million in appropriation includes $0.4 million in EDP hardware and software, as described in paragraphs 59 to 65.

95. Reimbursement for services: The total estimates for reimbursement of costs to UNDP and the United Nations amount to $7.6 million for services to be provided to UNFPA in 1998-1999. This includes an amount of $2.3 million for direct contributions to the jointly financed bodies of the United Nations (Consultative Committee on Administrative Questions (CCAQ), Consultative Committee on Programme and Operational Questions (CCPOQ), International Civil Service Commission (ICSC), Joint Inspection Unit (JIU), and the Information System Coordination Committee (ISCC)), plus external audit and some services provided by the United Nations. Apportionment for CCAQ, ICSC and ISCC is made on the basis of a formula agreed to by the CCAQ (Financial and Budgetary Questions) and is based on figures for the total staff in post at the end of the previous biennium. Apportionment for CCPOQ is based on the total expenditure for technical cooperation and/or programme activities, as appropriate, during the same period. The costs of the JIU are apportioned according to the total expenditure under all sources of funds during the preceding biennium. Under the present arrangements, UNFPA will continue to reimburse UNDP for treasury services, bookkeeping and recording services, maintenance of personnel records and processing of travel requests. In addition, UNDP will continue to provide EDP services in connection with the above-

mentioned functions. UNDP will also be asked to provide some secretarial services (G-4L level) in support of an increasing liaison function with the European Union through the UNDP office in Brussels. The net amount estimated for reimbursement to UNDP for these services is $3.3 million. In addition, the 1998-1999 appropriations include provisions in the amount of $2.0 million to cover the cost of participation in the planned audit activities of UNDP's Regional Service Centres for Asia and the Pacific and for Africa, for the UNFPA Audit Section located within the Division of Audit and Management Review (UNDP/DAMR) and additional staff and consultancy services (equivalent to 36 man-months of staff time) to be outposted in Kuala Lumpur and Harare. The total estimate for reimbursement to UNDP is $5.3 million as compared to the approved appropriation of $4.2 million in the 1996-1997 budget. The increase is mainly due to increased volume of audit activity and cost increases.

III. DRAFT APPROPRIATIONS DECISION

96. In light of the above, the Executive Director recommends that the Executive Board adopt the following decision:

The Executive Board

Having considered the 1998-1999 biennial support budget estimates of the United Nations Population Fund, as contained in document DP/FPA/1997/14,

(a) Approves gross appropriations in the amount of $143,255,500 for the purposes indicated below and resolves that the income estimates of $11,858,000 shall be used to offset the gross appropriations, resulting in estimated net appropriations of $131,397,500.

1998-1999 Biennial Support Budget
(Thousands of United States dollars)

Programme support:	
Country offices	73,484.2
Headquarters	26,811.5
Subtotal	100,295.7
Management and administration of the organization	42,959.7
Total gross appropriations	143,255.5
Less: Estimated income to the budget	11,858.0
Estimated net appropriations	131,397.5

(b) Authorizes the Executive Director to redeploy resources between appropriation lines up to a maximum of 5 per cent of the appropriation to which the resources are redeployed.

IV. SUMMARY TABLES

Table I. Proposed gross budget estimates by organizational unit within appropriation line and estimated income to the budget, 1998-1999

(Thousands of United States dollars)

Appropriation line/ Organizational unit	1996-1997 approved appropriations	Changes Volume Amount	Volume %	Cost	1998-1999 estimates
A. Programme support					
1. Country Offices					
Africa	30,461.2	1,533.8	5.0%	229.9	32,224.9
Arab States and Europe	9,326.6	1,421.2	15.2%	213.0	10,960.8
Asia and the Pacific	16,500.1	1,538.5	9.3%	230.6	18,269.2
Latin America and the Caribbean	11,126.7	785.0	7.1%	117.6	12,029.3
Subtotal	67,414.6	5,278.5	7.8%	791.0	73,484.2
2. Headquarters					
Africa Division	5,522.1	(171.1)	-3.1%	(70.5)	5,280.5
Division for Arab States and Europe	2,868.6	115.6	4.0%	33.7	3,017.9
Asia and the Pacific Division	4,192.5	(140.7)	-3.4%	(67.1)	3,984.7
Latin America and the Caribbean Division	2,861.9	2.8	0.1%	(11.7)	2,853.0
Technical and Evaluation Division	12,648.7	(942.0)	-7.4%	(31.2)	11,675.5
Subtotal	28,093.8	(1,135.4)	-4.0%	(146.9)	26,811.5
Subtotal: Programme support	95,508.4	4,143.1	4.3%	644.2	100,295.7
B. Management and admin. of organization					
Office of Executive Director	4,694.5	66.7	1.4%	(57.0)	4,704.2
Office of Oversight and Evaluation	2,198.0	(20.7)	-0.9%	22.0	2,199.3
Information and External Relations Div.	9,880.4	(4.1)	-0.0%	124.8	10,001.1
Div. of Finance, Personnel and Admin.	20,078.2	1,185.5	5.9%	634.3	21,898.0
Planning and Coordination Div.	4,486.5	(254.1)	-5.7%	(75.2)	4,157.2
Subtotal	41,337.6	973.3	2.4%	648.8	42,959.7
TOTAL GROSS APPROPRIATION	136,846.0	5,116.4	3.7%	1,293.0	143,255.5
Estimated Income 1/	(10,000.0)				(11,858.0)
TOTAL NET APPROPRIATIONS	126,846.0				131,397.5

See table 1: Gross budget estimates
See table 3: Total gross budget estimates - Regular resources
See table II: Total gross approp. by expenditure category

1/ For UNFPA the estimated income includes: income from support to Other Resources (i.e. multi-bilateral resources) relating to programmes; income from support and procurement services provided to government-executed projects; and, as appropriate, the estimated balance of income from procurement services to third parties, after deduction of direct costs.

Table II. Proposed gross budget estimates by expenditure category within appropriation line, 1998-1999

(Thousands of United States dollars)

Appropriation line/ Organizational unit	1996-1997 approved appropriations	Changes Volume Amount	Changes Volume %	Changes Cost	1998-1999 estimates
A. Programme support					
1. Country Offices					
Posts	48,872.6	2,877.0	5.9%	162.7	51,912.4
Other staff costs	899.8	21.5	2.4%	27.6	949.0
Consultants	0.0	0.0		0.0	0.0
Travel	2,220.9	202.3	9.1%	72.7	2,495.9
Operating expenses	12,074.8	2,144.7	17.8%	426.6	14,646.0
Furniture and equipment	3,346.5	33.0	1.0%	101.4	3,481.0
Subtotal	67,414.6	5,278.5	7.8%	791.0	73,484.2
2. Headquarters					
Posts	22,123.3	(646.4)	-2.9%	472.6	21,949.5
Other staff costs	159.3	51.8	32.5%	6.3	217.4
Consultants	150.0	(30.0)	-20.0%	3.6	123.6
Travel	601.0	8.2	1.4%	18.3	627.5
Operating expenses	4,553.8	(459.4)	-10.1%	(661.0)	3,433.4
Furniture and equipment	471.4	(24.6)	-5.2%	13.4	460.2
Reimbursements	35.0	(35.0)	-100.0%	0.0	0.0
Subtotal	28,093.8	(1,135.4)	-4.0%	(146.9)	26,811.5
B. Management and admin. of organization					
Posts	25,090.9	230.1	0.9%	286.2	25,607.2
Other staff costs	287.7	70.3	24.4%	10.7	368.7
Consultants	555.0	(16.7)	-3.0%	16.1	554.4
Travel	1,019.0	452.5	44.4%	44.1	1,515.6
Operating expenses	7,325.1	(134.2)	-1.8%	(487.6)	6,703.3
Furniture and equipment	892.8	(301.6)	-33.8%	17.7	608.9
Reimbursements	6,167.1	672.9	10.9%	761.5	7,601.5
Subtotal	41,337.6	973.3	2.4%	648.8	42,959.7
TOTAL					
Posts	96,086.8	2,460.7	2.6%	921.5	99,469.0
Other staff costs	1,346.8	143.6	10.7%	44.7	1,535.1
Consultants	705.0	(46.7)	-6.6%	19.7	678.0
Travel	3,840.9	663.0	17.3%	135.1	4,639.0
Operating expenses	23,953.7	1,551.1	6.5%	(722.1)	24,782.7
Furniture and equipment	4,710.7	(293.2)	-6.2%	132.5	4,550.1
Reimbursements	6,202.1	637.9	10.3%	761.5	7,601.5
TOTAL GROSS APPROPRIATIONS	136,846.0	5,116.4	3.7%	1,293.0	143,255.5

See table 1: Gross budget estimates
See table 3: Total gross budget estimates - Regular resources
See table I: Total gross approp. by organizational unit

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Table III. Estimated distribution of posts by source of funds and organizational unit, 1998-1999

Source of funds/ Organizational Unit	International professional category and above										GS and Other Categ.	Grand Total
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.			
A. Programme support												
1. Country offices												
1996-1997												
Regular resources			16	50	8	7		81	141	453 [1]		675
Total - A1	-	-	16	50	8	7	-	81	141	453		675
1998-1999												
Regular resources			18	55	9	7		89	156	485		730
Total - A1	-	-	18	55	9	7	-	89	156	485		730
2. Headquarters												
Africa Division												
1996-1997												
Regular resources		1		2	4	4		11		13		24
Total	-	1	-	2	4	4	-	11	-	13		24
1998-1999												
Regular resources		1		2	4	4		11		12		23
Total	-	1	-	2	4	4	-	11	-	12		23
Division for Arab States and Europe												
1996-1997												
Regular resources		1		1	2	2		6		6		12
Total	-	1	-	1	2	2	-	6	-	6		12
1998-1999												
Regular resources		1		1	2	2		6		7		13
Total	-	1	-	1	2	2	-	6	-	7		13
Asia and the Pacific Division												
1996-1997												
Regular resources		1		2	3	2		8		10		18
Total	-	1	-	2	3	2	-	8	-	10		18
1998-1999												
Regular resources		1		2	3	2		8		9		17
Total	-	1	-	2	3	2	-	8	-	9		17
Latin America and the Caribbean Division												
1996-1997												
Regular resources		1		1	1	3		6		6		12
Total	-	1	-	1	1	3	-	6	-	6		12
1998-1999												
Regular resources		1		1	1	3		6		6		12
Total	-	1	-	1	1	3	-	6	-	6		12
Technical and Evaluation Division [2]												
1996-1997												
Regular resources		1	5	15	2	2		25		21		46
Total	-	1	5	15	2	2	-	25	-	21		46
1998-1999												
Regular resources		1	4	15	2	1		23		21		44
Total	-	1	4	15	2	1	-	23	-	21		44
Total: A2 Programme support HQ												
1996-1997												
Regular resources	-	5	5	21	12	13		56		56		112
Total - A2	-	5	5	21	12	13	-	56	-	56		112
1998-1999												
Regular resources	-	5	4	21	12	12		54		55		109
Total - A2	-	5	4	21	12	12	-	54	-	55		109
Total: A. Programme support												
1996-1997												
Regular resources	-	5	21	71	20	20		137	141	509		787
Total - A	-	5	21	71	20	20	-	137	141	509		787
1998-1999												
Regular resources	-	5	22	76	21	19		143	156	540		839
Total - A	-	5	22	76	21	19	-	143	156	540		839

Table III. (cont.) Estimated distribution of posts by source of funds and organizational unit, 1998-1999

Source of funds/ Organizational Unit	International professional category and above									GS and Other Categ.	Grand Total
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.		
B. Management and admin. of org											
Office of Executive Director a/											
1996-1997											
Regular resources	2	1	1	1	3			8		8	16
Total	2	1	1	1	3	-	-	8	-	8	16
1998-1999											
Regular resources	3		1	1	2			7		9	16
Total	3		1	1	2	-	-	7	-	9	16
Office of Oversight and Evaluation											
1996-1997											
Regular resources			1	1	3			5		4	9
Total	-	-	1	1	3	-	-	5	-	4	9
1998-1999											
Regular resources			1	4				5		4	9
Total	-	-	1	4	-	-	-	5	-	4	9
Division for Finance, Personnel, and Admin. a/											
1996-1997											
Regular resources		1		5	5	5		16		46	62
Other res.rel. to Reimb. a/					1		1	2		2	4
Total	-	1	-	5	6	5	1	18	-	48	66
1998-1999											
Regular resources		1		5	7	4		17		47	64
Other res.rel. to Reimb. a/					2		1	3		4	7
Total	-	1	-	5	9	4	1	20	-	51	71
Information and External Relations Division											
1996-1997											
Regular resources	-	1	2	6	1	3		13		16	29
Total	-	1	2	6	1	3	-	13	-	16	29
1998-1999											
Regular resources	-	1	2	6	1	3		13		16	29
Total	-	1	2	6	1	3	-	13	-	16	29
Planning and Coordination Division											
1996-1997											
Regular resources		1		3	2	3		9		7	16
Total	-	1	-	3	2	3	-	9	-	7	16
1998-1999											
Regular resources		1		3	2	3		9		6	15
Total	-	1	-	3	2	3	-	9	-	6	15
Total B. Man. and admin. of org.											
1996-1997											
Regular resources	2	4	4	16	14	11		51		81	132
Other res.rel. to Reimb. a/					1		1	2		2	4
Total - B	2	4	4	16	15	11	1	53	-	83	136
1998-1999											
Regular resources	3	3	4	19	12	10		51		82	133
Other res.rel. to Reimb. a/					2		1	3		4	7
Total - B	3	3	4	19	14	10	1	54	-	86	140
Grand Total											
1996-1997											
Regular resources	2	9	25	87	34	31		188	141	590	919
Other res.rel. to Reimb. a/					1		1	2		2	4
TOTAL	2	9	25	87	35	31	1	190	141	592	923
1998-1999											
Regular resources	3	8	26	95	33	29		194	156	622	972
Other res.rel. to Reimb. a/					2		1	3		4	7
TOTAL	3	8	26	95	35	29	1	197	156	626	979

See table 2: Regular resource posts
See table 4: Proposed changes

Notes: 1/ One National Secretarial & Clerical Post in China is temporarily filled by an Field Service Level staff.
2/ The Technical and Evaluation Division does not include staff of the former Evaluation Branch which is now designated as the Office of Oversight and Evaluation; similarly, the Planning and Coordination Division does not include staff related to the Training and Coordination Branch and the Library and Population Information Services Branch (moved to OED, DFPA, and TED).
3/ Other resources: posts established as per methodology explained in document DP/1997/2 on UNDP/UNFPA/UNICEF Harmonization (paragraphs 31-40).

Annex I

TERMINOLOGY

Terms upon which common agreement has been reached and their corresponding definitions are given below.

Appropriation line - Definition similar to those included in the Financial Regulations of UNDP, UNFPA and UNICEF

A subdivision of the appropriation for which a specific amount is shown in the appropriation decision and within which the executive head of an organization is authorized to make transfers without prior approval.

Biennial support budget

The budget of an organization covering Programme support and Management and administration of the organization.

Cost (increase/decrease) - ACC definition

Any increase or decrease in the cost of a resource input in the budget period compared with that in the previous budget period, arising from changes in costs, prices and exchange rates.

Management and administration of organization

Organizational units whose primary function is the maintenance of the identity, direction and well-being of an organization. This will typically include units that carry out the functions of executive direction, organizational policy and evaluation, external relations, information and administration.

Other resources

Resources of a voluntarily funded organization, other than Regular resources, which are received for a specific programme purpose (Other resources relating to programmes) and for the provision of specific services to third parties (Other resources relating to reimbursements).

Other resources relating to programmes

Resources of a voluntarily funded organization, other than Regular resources, which are received for a specific programme purpose that is consistent with the aims and activities of the organization. These will include voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources and related interest earnings and miscellaneous income.

Other resources relating to reimbursements

Resources of a voluntarily funded organization that are received from third parties to cover the cost of providing specific services not related to carrying out Programmes entrusted to it for implementation.

Programmes

Direct inputs needed to achieve the objectives of a specific project or programme for development cooperation. This may typically include experts, support personnel, supplies and equipment, subcontracts, cash assistance and individual or group training.

Programme support

Organizational units whose primary function is the development, formulation, delivery and evaluation of an organization's programmes. This will typically include units that provide backstopping of programmes either on a technical, thematic, geographic, logistical or administrative basis.

Regular resources

Resources of a voluntarily funded organization that are co-mingled and untied. These will include pledges of voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources and related interest earnings and miscellaneous income.

Various cost adjustments

Cost increases/decreases attributable to changes in rates or conditions not tied to currency or annual inflation adjustments.

Volume (increase/decrease)

Any increase or decrease in resource requirements attributable to changes in the level or nature of activities carried out by an organization during the current budget period and those proposed for the forthcoming budget period. Volume is expressed using the same

cost factors applicable for the approved appropriations to permit direct comparison of these changes relative to the level of activities approved for the current budget period.

Annex II

METHODOLOGY

1. The methodology involves several sequential steps in calculating estimates. These calculations are effected separately for each year of a biennium. Essentially, the methodology is to take the approved appropriations for the first year of the current biennium and add the volume and cost adjustments, which results in the estimates required for the first year of the proposed biennium. Similarly, the approved appropriations for the second year of the current biennium are updated to result in the estimates required for the second year of the proposed biennium. It should be borne in mind that, normally, the time during which estimates are prepared for the proposed Biennial support budget is the first months of the second year of the current biennium. A description of each sequential step follows.

I. Volume Adjustments

2. First, using the approved appropriations as a base, the real increases or decreases in requirements are calculated and designated as volume changes. Volume changes, as defined, represent the controllable elements in the estimates, subject to the executive head's assessment of what the organization requires to perform the task with which it is entrusted. Such volume changes are calculated at the same price levels as the approved appropriations in order to facilitate comparison with the currently approved base.

II. Various Cost Adjustments

3. To the approved appropriations and volume changes are added cost increases or decreases attributable to changes in rates or conditions not tied to currency or annual inflation adjustments. Except for within-grade increments, they reflect only known changes that have occurred in the two years since the preparation of the last Biennial support budget. Such cost factors include, for example, ICSC decisions of the International Civil Service Commission on a variety of staff entitlements (e.g., dependency allowance, education grant), and changes in the average step of posts by grade level. These adjustments may also include estimates to cover within-grade increments for staff if the experience of the organization so warrants. Normally, but not exclusively, such cost adjustments apply to staff costs. An example of this type of cost adjustment for operating expenses would be a change in rate per square foot on relocation of premises.

III. Currency Adjustments

4. Currency adjustments are then calculated, by year, on the total of approved appropriations, volume and various cost adjustments. These currency adjustments would normally be the difference between the United Nations operational rate of exchange in effect on, for example, 1 April of the year preceding the current biennium and for example, on 1 April of

the second year of the current biennium, i.e., the time of preparation of the proposed Biennial support budget. This factor is of particular importance given the extent of the field offices of the organization, where operating costs vary greatly with the strength or otherwise of the United States dollar.

IV. Inflation Adjustment

5. Finally, to complete the picture and to develop the final estimate of requirements for the next biennium, the organization must adjust or estimate, as appropriate, inflation over a four-year period. These adjustments are calculated, by year, on the total of approved appropriations, volume and various cost adjustments, as adjusted for currency; as follows:

(a) For the first year of the current biennium to the first year of the proposed biennium. The existing estimates already embody earlier estimates of inflation. The inflation adjustment for this transition therefore includes:

(i) The difference between the application of earlier estimates and the actual inflation for the first year of the current biennium;
(ii) The difference between the application of earlier estimates and the revised inflation projection for the second year of the current biennium; and
(iii) The inflation projection for the first year of the proposed biennium.

(b) For the second year of the current biennium to the second year of the proposed biennium:

(i) - (iii) as in (a) above; and
(iv) The inflation projection for the second year of the proposed biennium.

6. In order to arrive at these estimates of inflation, four inflation factors for each location are adopted for each year:

(a) The first inflation factor pertains to the estimated movement of post adjustment for international Professional staff;
(b) The second inflation factor pertains to international travel and common staff costs for internal Professional staff (this is the same for all locations);
(c) The third factor encompasses salaries and common staff costs for local staff, i.e., in the national Professional category and General Service and other categories, which may vary significantly from location to location; and
(d) The fourth factor relates to all other costs, such a operating expenses.

7. Within the general framework, New York and Geneva are treated separately from field offices. For these two locations, the rates used are the same as those used by the United Nations unless specific contractual commitments differ.

8. Apart from a limited number of cost elements such international travel and the common staff costs of international staff, the inflation factors for field offices must be location-specific. Estimates are compared with past experience and current global patters and/or information that is available and published before being applied to the budget estimates.